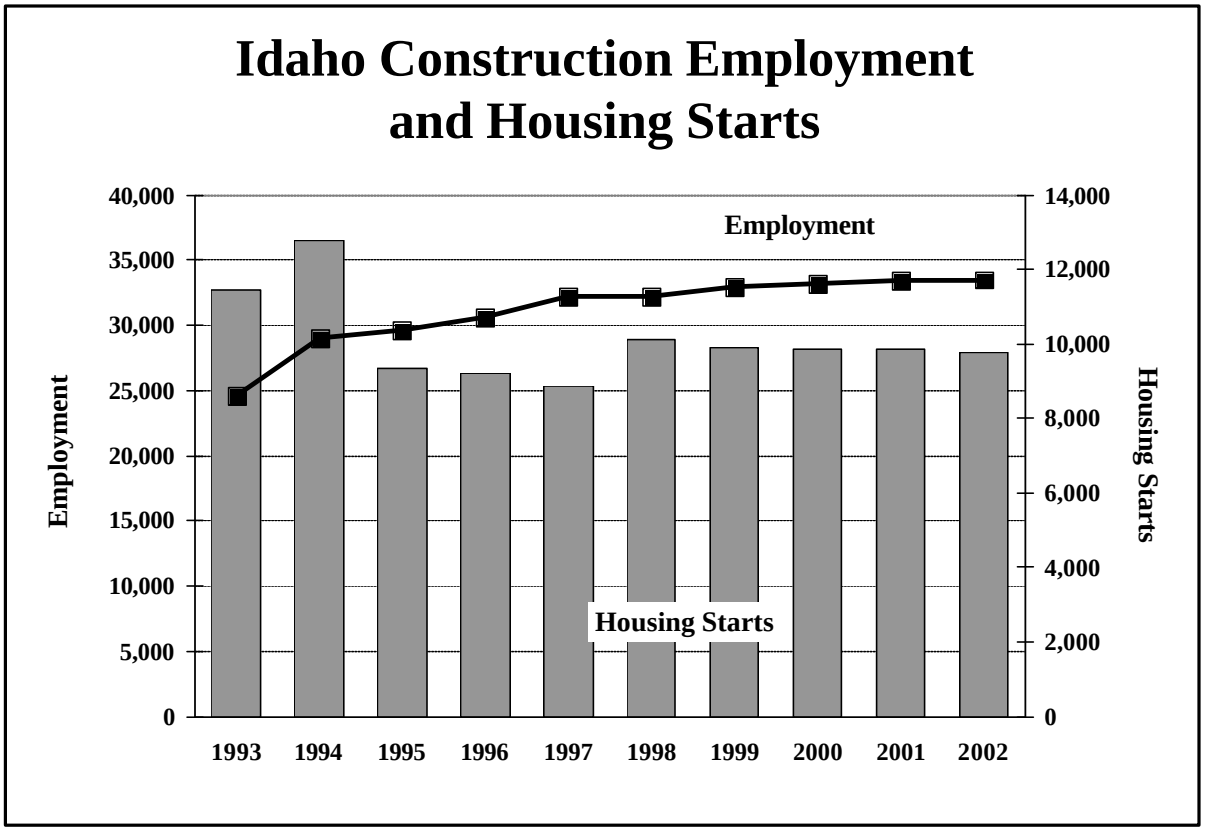
Idaho Economic Forecast

DIRK KEMPTHORNE, Governor **Division of Financial Management**

Vol. XXI, No. 3 **ISSN 8756-1840**
July 1999

- **Forecast 1999-2002**
- **Understanding the Social Security Debate**
- **Alternative Forecasts**



Idaho
Economic
Forecast
1999 - 2002

State of Idaho
DIRK KEMPTHORNE
Governor

Costs associated with this publication are available
from the Division of Financial Management
in accordance with Section 60-202, Idaho Code.

7-99/385/010200-180-4001

PREFACE

Idaho has entered its second century of statehood on solid economic ground. After nearly a decade of stop and start economic performance, the 1980s closed with a much-welcomed economic expansion. While not as sharp as the boom years of the 1970s, today's employment and income growth are exceptional in comparison to the 1980s. Much of the current expansion results from Idaho's successful adjustment (and sometimes painful restructuring) of its key basic industries.

Our traditional industries, such as lumber and wood products, food processing, and mining, have become more competitive. Our high-tech sector, which includes Hewlett-Packard, Zilog, and Micron Technology, has bucked recent national trends and undergone substantial expansion. In addition, the tourism and travel sectors have benefited from past investments in such projects as the Coeur d'Alene Resort, the convention centers in Boise and Nampa, and the Kellogg Gondola. Thus, the restructured Idaho economy is better positioned to exploit growth opportunities that will arise this decade, and is expected to sustain solid growth well through the 1990s.

A particularly satisfying aspect of the Gem State's passage into the 1990s is the broad base of economic health in Idaho today. Tourism, high-tech manufacturing, and the commercial sectors are thriving. After persevering through hard times, Idahoans are enjoying the benefits of the state's economic success on a wide geographical basis. Many of Idaho's rural communities that lagged urban growth rates during the 1980s have grown recently. Almost two-thirds of Idaho cities lost population during the previous decade. Many are now rebounding.

While many changes are taking place today, other traditional factors still hold firm. Most notably, Idaho's economy remains directly tied to its resource base. While displaying more resilience to downturns than in the past, these industries are not totally immune from business cycle effects. This heavy dependency on natural resources will bring a host of challenges as Idaho enters the next century. These include competition among agriculture, fisheries, and expanding population needs for water and energy; the environmental impacts of the economically important mining, timber, agricultural, and tourism industries; and the many other pressures of an expanding population on the state's natural and fiscal resources.

Other factors that are external to the state's economy will present challenges this decade to public and private decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Engineering and Environmental Laboratory near Idaho Falls and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

Division of Financial Management
700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032
(208) 334-3900

Economic Analysis Bureau
Michael H. Ferguson, Chief Economist
Derek E. Santos, Economist

This page left blank intentionally.

TABLE OF CONTENTS

INTRODUCTION

The national forecast presented in this publication is the June 1999 Standard and Poor's DRI baseline forecast of the U.S. economy. The April 1999 *Idaho Economic Forecast* is based on the March 1998 DRI national forecast.

The outlooks for Idaho's housing and construction sectors are featured in the cover chart. It shows that after peaking at 10,123 units last year, housing starts should slide to 9,758 units by 2002. The softer housing forecast has put a damper on the prospects for Idaho construction employment. While the total number of jobs should continue to grow, its pace will fall in each year. This is a big change from the beginning of this decade when construction employment regularly posted double-digit growth rates.

FEATURE

The feature article is titled, "Understanding the Social Security Debate". Social Security is among the most widely discussed and least understood economic topics. While most Americans are aware of Social Security's impending financial crises, confusion over the dimensions of the program's problems appears to undermine support for solutions to resolve them. This article reviews some of the basic facts about the Social Security system, describes how it is financed and the factors contributing to its future insolvency, and discusses options for restoring its financial health. Mary C. Daly, who is an economist with the Federal Reserve Bank of San Francisco, wrote this article.

THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. DRI examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are described in the text.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1983 to 2002 and for every quarter from 1996 through 2001. The solution of the Idaho Economic Model for this forecast begins with the first quarter of 1999.

Descriptions of the DRI U.S. Macroeconomic Model and the Idaho Economic Model are provided in the Appendix. Equations of the Idaho Economic Model and variable definitions are listed in the last pages of this publication.

CHANGES

The employment numbers that appear in this publication are based on monthly data supplied by the Idaho Department of Labor. These data extend through the first quarter of 1999. The estimates for all of 1998 have been benchmarked. The monthly estimates for the first quarter of 1999 are preliminary. All the monthly data have been seasonally adjusted and converted into quarterly estimates by DFM.

The benchmarked data show that Idaho nonfarm employment grew 2.5% in 1998. This was just slightly below DFM's April 1999 estimate for that year. DFM predicted there would be a 13,026 net job gain in 1998. The final data show a net gain of 12,801. There is a difference of 225 (1.8%) between the two.

The tables in this forecast include the U.S. Department of Commerce's Bureau of Economic Analysis' (BEA) estimates of Idaho quarterly personal income through the fourth quarter of 1998. According to this data Idaho nominal personal income grew 5.1% in 1998, which was about the same pace as in 1997. The BEA is scheduled to release the next round of Idaho personal income estimates in late July 1999. These estimates will run through the first quarter of 1999.

Early this summer DFM reviewed the Idaho Economic Model. This review had a twofold purpose. First, the model's structure was carefully evaluated and changes were made to it where relevant. Second, the stochastic equations of the model were reestimated to incorporate the most current data available. A listing of all of the model's equations, as well as the endogenous and exogenous variables in the model, can be found in the Appendix of this *Forecast.*

The *Idaho Economic Forecast* is available on the Internet at http://www.state.id.us/dfm/econinfo.htm. Readers with any questions should contact Derek Santos at (208) 334-3900 or at dsantos@dfm.state.id.us.

SUBSCRIPTIONS

You can access the *Idaho Economic Forecast* for free at http://www2.state.id.us/dfm/econinfo.htm.

Hardcopy subscription rates for the *Idaho Economic Forecast*, which is published four times a year, are as follows:

Idaho State Government	No Charge
Idaho Resident	$10.00 per year
Non-Idaho Resident	$20.00 per year

To subscribe, send the following information and appropriate payment to:

Idaho Economic Forecast
Division of Financial Management
700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032

NAME _____

ORGANIZATION _____

MAILING ADDRESS _____

_____

CITY _____

STATE _____

ZIP CODE _____

Subscriber Category
- Idaho State Government _____
- Idaho Resident _____
- Non-Idaho Resident _____

Enclosed is payment of$ _____ for _____ years.

EXECUTIVE SUMMARY

Idaho's economy is expected to slow, but not stop or decline, over the forecast period. Nonfarm employment grew by 2.5% in 1998. While this was somewhat stronger than had been projected earlier, it was just below the national rate of 2.6%. (Due to a reclassification of about 3,600 realtor jobs from covered employment to self-employed, the 1998 growth rate has been artificially lowered. Without the reclassification, Idaho nonfarm job growth would have been 3.2% in 1998.) This marks the first time since 1987 that Idaho nonfarm employment growth lagged its national counterpart. Idaho nominal personal income rose slightly faster than its national counterpart in 1998, 5.1% versus 5.0%. This was welcome news given the state's struggle with low agricultural commodity prices last year. It should be noted that Idaho's economy will again grow faster than its national counterpart beginning this year. For instance, Idaho nonfarm employment is forecast to rise 2.9% this year, 2.4% next year, 1.9% in 2001, and 2.0% in 2002. On the other hand, U.S. nonfarm employment should increase 2.1% in 1999, 1.6% in 2000, 1.0% in 2001, and 1.1% in 2002. Idaho real total personal income is anticipated to rise 4.3% in 1999, 3.0% in 2000, 2.7% in 2001, and 2.8% in 2002. U.S. real total personal income is forecast to increase 3.5% this year, 2.6% next year, 1.9% in 2001, and 2.2% in 2002.

The U.S. economy continued its steady march this spring toward being the longest expansion. With less than a year to go and no major imbalances in sight, the old record of 106 straight months of growth set from February 1961 to December 1969 is expected to fall. Almost eight years into the current expansion, the economy still shows incredible strength. Real GDP, the broadest measure of the economy's strength, grew at a 4.3% annual rate in this year's first quarter. Noticeably absent, however, were the imbalances that foreshadow a recession. Most significantly, inflation remains in check. This being the case, the U.S. economy should continue expanding through 2002. Although the current forecast assumes there will not be a recession over the next few years, it is not entirely out of the realm of possibility. For example, DRI has prepared two alternative forecasts that include recessions. The near-term risk to the U.S. forecast continues to be a major stock market correction.

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

JULY 1999

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
GDP (BILLIONS)										
Current $	6,558	6,947	7,270	7,662	8,111	8,511	8,947	9,246	9,605	10,044
% Ch	*5.0%*	*5.9%*	*4.6%*	*5.4%*	*5.9%*	*4.9%*	*5.1%*	*3.3%*	*3.9%*	*4.6%*
1992 Chain-Weighted	6,390	6,611	6,762	6,995	7,270	7,552	7,845	7,998	8,170	8,384
% Ch	*2.3%*	*3.5%*	*2.3%*	*3.4%*	*3.9%*	*3.9%*	*3.9%*	*2.0%*	*2.1%*	*2.6%*
PERSONAL INCOME - CURR $										
Idaho (Millions)	19,475	20,628	22,062	23,418	24,651	25,902	27,384	28,703	30,079	31,625
% Ch	*10.0%*	*5.9%*	*7.0%*	*6.1%*	*5.3%*	*5.1%*	*5.7%*	*4.8%*	*4.8%*	*5.1%*
Idaho Nonfarm (Millions)	18,339	19,979	21,371	22,644	23,958	25,255	26,687	27,998	29,354	30,871
% Ch	*8.6%*	*8.9%*	*7.0%*	*6.0%*	*5.8%*	*5.4%*	*5.7%*	*4.9%*	*4.8%*	*5.2%*
U.S. (Billions)	5,481	5,758	6,072	6,425	6,784	7,126	7,482	7,806	8,125	8,486
% Ch	*4.3%*	*5.1%*	*5.5%*	*5.8%*	*5.6%*	*5.0%*	*5.0%*	*4.3%*	*4.1%*	*4.5%*
PERSONAL INCOME - 1992 $										
Idaho (Millions)	18,967	19,615	20,509	21,336	22,047	22,981	23,962	24,690	25,349	26,071
% Ch	*7.2%*	*3.4%*	*4.6%*	*4.0%*	*3.3%*	*4.2%*	*4.3%*	*3.0%*	*2.7%*	*2.8%*
Idaho Nonfarm (Millions)	17,861	18,998	19,867	20,631	21,427	22,407	23,351	24,083	24,738	25,449
% Ch	*5.7%*	*6.4%*	*4.6%*	*3.8%*	*3.9%*	*4.6%*	*4.2%*	*3.1%*	*2.7%*	*2.9%*
U.S. (Billions)	5,339	5,476	5,645	5,854	6,068	6,323	6,547	6,718	6,848	6,997
% Ch	*1.6%*	*2.6%*	*3.1%*	*3.7%*	*3.6%*	*4.2%*	*3.5%*	*2.6%*	*1.9%*	*2.2%*
HOUSING STARTS										
Idaho	11,456	12,768	9,360	9,218	8,866	10,123	9,891	9,881	9,870	9,758
% Ch	*19.5%*	*11.5%*	*-26.7%*	*-1.5%*	*-3.8%*	*14.2%*	*-2.3%*	*-0.1%*	*-0.1%*	*-1.1%*
U.S. (Millions)	1.292	1.446	1.361	1.469	1.476	1.623	1.640	1.509	1.487	1.514
% Ch	*7.5%*	*12.0%*	*-5.9%*	*7.9%*	*0.5%*	*10.0%*	*1.0%*	*-8.0%*	*-1.4%*	*1.8%*
TOTAL NONFARM EMPLOYMENT										
Idaho (Thousands)	436.7	461.2	477.4	492.6	508.8	521.6	536.5	549.4	559.7	571.0
% Ch	*4.8%*	*5.6%*	*3.5%*	*3.2%*	*3.3%*	*2.5%*	*2.9%*	*2.4%*	*1.9%*	*2.0%*
U.S. (Millions)	110.7	114.1	117.2	119.6	122.7	125.8	128.5	130.5	131.9	133.3
% Ch	*1.9%*	*3.1%*	*2.7%*	*2.1%*	*2.6%*	*2.6%*	*2.1%*	*1.6%*	*1.0%*	*1.1%*
FINANCIAL MARKETS										
Federal Funds Rate	*3.0%*	*4.2%*	*5.8%*	*5.3%*	*5.5%*	*5.4%*	*4.7%*	*4.8%*	*4.8%*	*4.8%*
Bank Prime Rate	*6.0%*	*7.1%*	*8.8%*	*8.3%*	*8.4%*	*8.4%*	*7.8%*	*7.7%*	*7.7%*	*7.7%*
Mort Rate, New Homes	*7.2%*	*7.5%*	*7.9%*	*7.8%*	*7.7%*	*7.1%*	*7.1%*	*7.3%*	*7.1%*	*6.8%*
INFLATION										
GDP Price Deflator	*2.6%*	*2.4%*	*2.3%*	*1.9%*	*1.9%*	*1.0%*	*1.2%*	*1.4%*	*1.7%*	*1.9%*
Personal Cons Deflator	*2.7%*	*2.4%*	*2.3%*	*2.0%*	*1.9%*	*0.8%*	*1.4%*	*1.7%*	*2.1%*	*2.2%*
Consumer Price Index	*3.0%*	*2.6%*	*2.8%*	*2.9%*	*2.3%*	*1.6%*	*2.1%*	*2.3%*	*2.5%*	*2.5%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

JULY 1999

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP (BILLIONS)												
Current $	8,800	8,907	9,004	9,076	9,136	9,212	9,280	9,356	9,466	9,559	9,645	9,751
% Ch	*5.6%*	*5.0%*	*4.4%*	*3.2%*	*2.7%*	*3.4%*	*3.0%*	*3.3%*	*4.8%*	*4.0%*	*3.7%*	*4.5%*
1992 Chain-Weighted	7,755	7,817	7,883	7,924	7,945	7,984	8,016	8,049	8,104	8,148	8,186	8,240
% Ch	*4.1%*	*3.3%*	*3.4%*	*2.1%*	*1.1%*	*2.0%*	*1.6%*	*1.7%*	*2.8%*	*2.2%*	*1.9%*	*2.7%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	26,908	27,250	27,541	27,839	28,209	28,555	28,877	29,173	29,542	29,902	30,254	30,620
% Ch	*3.7%*	*5.2%*	*4.3%*	*4.4%*	*5.4%*	*5.0%*	*4.6%*	*4.2%*	*5.2%*	*5.0%*	*4.8%*	*4.9%*
Idaho Nonfarm (Millions)	26,192	26,554	26,847	27,153	27,513	27,853	28,168	28,457	28,837	29,182	29,518	29,879
% Ch	*4.8%*	*5.6%*	*4.5%*	*4.6%*	*5.4%*	*5.0%*	*4.6%*	*4.2%*	*5.4%*	*4.9%*	*4.7%*	*5.0%*
U.S. (Billions)	7,351	7,442	7,522	7,612	7,698	7,773	7,843	7,911	8,006	8,086	8,161	8,247
% Ch	*5.2%*	*5.1%*	*4.4%*	*4.8%*	*4.6%*	*4.0%*	*3.7%*	*3.5%*	*4.9%*	*4.1%*	*3.8%*	*4.3%*
PERSONAL INCOME - 1992 $												
Idaho (Millions)	23,721	23,871	24,037	24,219	24,432	24,623	24,787	24,916	25,104	25,269	25,427	25,597
% Ch	*2.6%*	*2.5%*	*2.8%*	*3.1%*	*3.6%*	*3.2%*	*2.7%*	*2.1%*	*3.0%*	*2.7%*	*2.5%*	*2.7%*
Idaho Nonfarm (Millions)	23,091	23,261	23,431	23,622	23,829	24,018	24,178	24,306	24,505	24,660	24,809	24,978
% Ch	*3.7%*	*3.0%*	*3.0%*	*3.3%*	*3.5%*	*3.2%*	*2.7%*	*2.1%*	*3.3%*	*2.6%*	*2.4%*	*2.8%*
U.S. (Billions)	6,480	6,520	6,566	6,623	6,670	6,706	6,736	6,761	6,804	6,834	6,860	6,895
% Ch	*4.1%*	*2.5%*	*2.8%*	*3.5%*	*2.9%*	*2.2%*	*1.8%*	*1.5%*	*2.6%*	*1.8%*	*1.5%*	*2.1%*
HOUSING STARTS												
Idaho	10,015	9,950	9,802	9,795	9,823	9,867	9,907	9,926	9,900	9,878	9,858	9,845
% Ch	*-17.6%*	*-2.6%*	*-5.8%*	*-0.3%*	*1.1%*	*1.8%*	*1.6%*	*0.8%*	*-1.1%*	*-0.9%*	*-0.8%*	*-0.5%*
U.S. (Millions)	1.774	1.620	1.590	1.574	1.547	1.516	1.489	1.483	1.491	1.488	1.483	1.488
% Ch	*18.5%*	*-30.4%*	*-7.2%*	*-4.0%*	*-6.7%*	*-7.8%*	*-7.0%*	*-1.6%*	*2.2%*	*-0.8%*	*-1.3%*	*1.4%*
TOTAL NONFARM EMPLOYMENT												
Idaho (Thousands)	531.6	534.9	538.3	541.2	545.0	548.3	551.0	553.1	555.7	558.5	561.1	563.7
% Ch	*2.9%*	*2.6%*	*2.5%*	*2.2%*	*2.8%*	*2.5%*	*2.0%*	*1.5%*	*1.9%*	*2.0%*	*1.9%*	*1.9%*
U.S. (Millions)	127.6	128.1	128.8	129.5	130.0	130.3	130.7	131.0	131.4	131.7	132.0	132.3
% Ch	*2.4%*	*1.8%*	*2.0%*	*2.3%*	*1.4%*	*1.2%*	*1.0%*	*1.1%*	*1.1%*	*1.1%*	*0.8%*	*1.0%*
FINANCIAL MARKETS												
Federal Funds Rate	*4.7%*	*4.7%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.7%*
Bank Prime Rate	*7.8%*	*7.8%*	*7.8%*	*7.7%*	*7.7%*	*7.8%*	*7.7%*	*7.7%*	*7.7%*	*7.7%*	*7.7%*	*7.7%*
Mort Rate, New Homes	*6.9%*	*7.0%*	*7.3%*	*7.3%*	*7.3%*	*7.3%*	*7.3%*	*7.2%*	*7.1%*	*7.1%*	*7.0%*	*7.0%*
INFLATION												
GDP Price Deflator	*1.5%*	*1.6%*	*1.0%*	*1.2%*	*1.7%*	*1.4%*	*1.4%*	*1.6%*	*1.9%*	*1.8%*	*1.8%*	*1.7%*
Personal Cons Deflator	*1.1%*	*2.6%*	*1.5%*	*1.3%*	*1.8%*	*1.8%*	*1.9%*	*2.0%*	*2.1%*	*2.2%*	*2.2%*	*2.2%*
Consumer Price Index	*1.5%*	*3.8%*	*1.9%*	*2.0%*	*2.3%*	*2.3%*	*2.3%*	*2.5%*	*2.4%*	*2.6%*	*2.5%*	*2.5%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

NATIONAL FORECAST DESCRIPTION
The Forecast Period is the First Quarter of 1999 to the Fourth Quarter of 2002

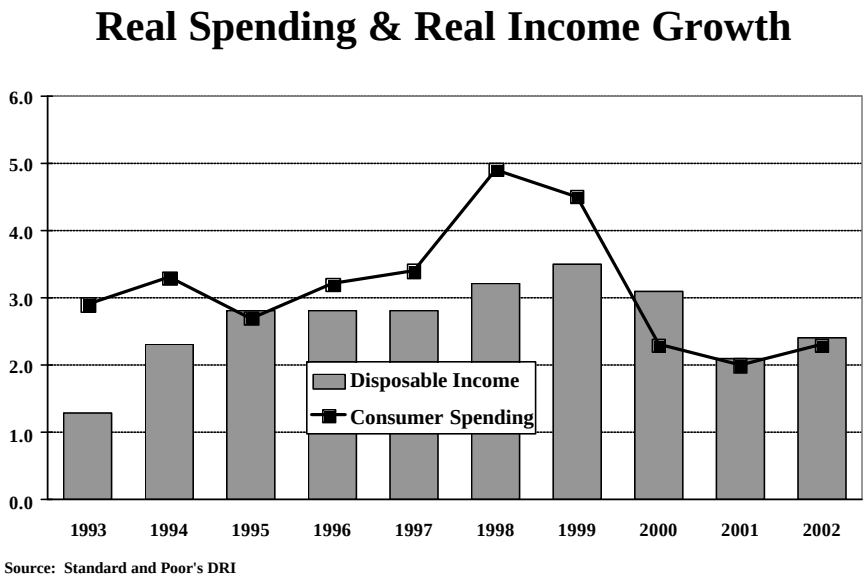
The U.S. economy continued its steady march this spring toward being the longest expansion. With less than a year to go and no major imbalances in sight, the old record of 106 straight months of growth set from February 1961 to December 1969 is expected to fall. Almost eight years into the current expansion, the economy still shows incredible strength. Real GDP, the broadest measure of the economy's strength, grew at a 4.3% annual rate in this year's first quarter. Noticeably absent, however, were the imbalances that foreshadow a recession. Most significantly, inflation remains in check. There are several reasons inflation remains well behaved. First, employee compensation has been growing slowly in spite of the tight labor market. Second, there has been a large manufacturing capacity surplus in the U.S. and abroad. Third, U.S. businesses have been hesitant to raise prices in order to retain hard-earned market share. Fourth, soft farm prices and the drop in the oil price in 1998 have helped keep overall inflation in check. The lack of imbalances is significant because the current recovery is old by historical standards, making a recession overdue. Not all the news for the economy is positive; trade remains a drag on the economy. Thanks to the U.S.'s position as the world's strongest economy, the trade deficit has ballooned. While this may slow economic growth, it will not stop it. The U.S. economy should continue expanding through 2002. Specifically, real GDP advances 3.9% in 1999, 2.0% in 2000, 2.1% in 2001, and 2.6% in 2002.

Many people not only welcome the continued economic growth, they are counting on it. President Clinton announced a plan to retire the federal debt within the next 15 years. While this may be a noble pursuit, it may not be a realistic one. The success of his plan hinges on the economy expanding continuously until the debt is gone. This assumes the economy will expand for over two decades without suffering a recession. This would be unprecedented, if not impossible. This implies the business cycle is dead or at least in a deep coma. The President is not the only optimist. Congressional leaders have been pushing for a tax cut. Both plans could have dire consequences if a recession occurs. This is because a recession hurts the budget in two ways. When jobs are lost the flow of tax revenue into government coffers falls off. In addition, more government services are demanded. Thus, lower receipts and higher outlays squeeze the federal budget. Under such conditions, the President may not only have to abandon his plan to retire the debt, but find himself dealing with a budget deficit again.

Although the current forecast assumes there will not be a recession over the next few years, it is not entirely out of the realm of possibility. For example, DRI has prepared two alternative forecasts that include recessions. The near-term risk to the U.S. forecast continues to be a major stock market correction. Because Americans' low savings rate is driven by the high wealth/income ratio, spending may be more sensitive to a drop in the stock market than in the past. A decline in share prices could quickly undermine consumer confidence, and thus consumer spending. One scenario assumes such a correction occurs in 2000. This leads to a mild recession that same year. In another scenario, the U.S. economy grows stronger in 1999-2000 than projected. But there is a high cost associated with the good times. Tighter labor markets push inflation higher. More importantly, commodity prices, including oil, rebound as foreign economies recover and the U.S. economy surges. As inflationary pressures bubble to the surface, the Federal Reserve raises interest rates sharply beginning in late 2000. In addition, a stock market correction hits during this period. The combination of higher interest rates and damaged consumer confidence hurts consumer spending, especially for large-ticket items. The economy falls into a recession in 2001.

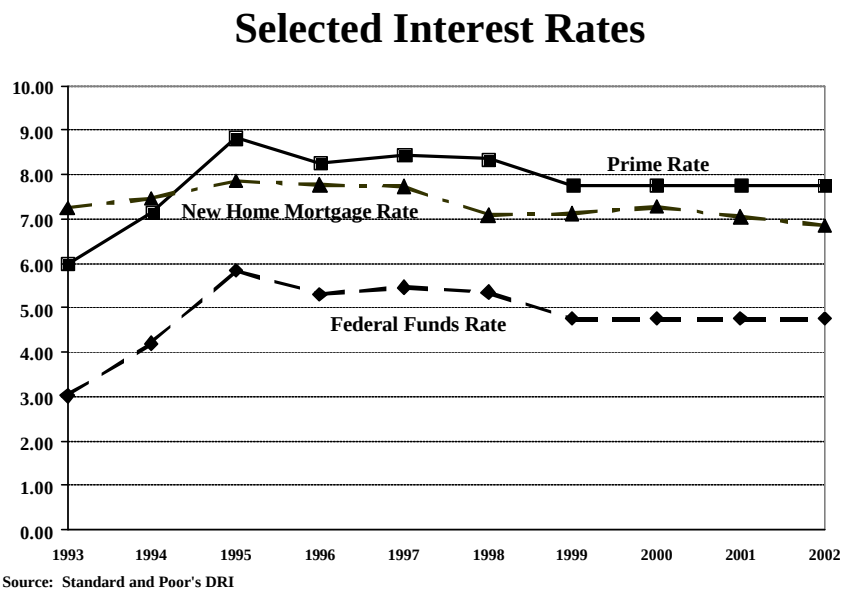
SELECTED NATIONAL ECONOMIC INDICATORS

Consumer Spending: The American consumers' spending spree should continue through this year. For most of this decade real consumer spending has grown faster than real disposable personal income. As a result, the personal savings rate has fallen from nearly 6.0% in 1992 to virtually zero in 1998. In addition, the ratio of outstanding credit to disposable personal income soared from about 17.0% to just over 21.0% over this same period, a new record. This seemingly spendthrift behavior raises questions of why Americans have been spending so freely and how much longer they are willing to out spend their income. There are several reasons for consumers' recent spending habits. First, the record runup in the stock market has produced a substantial wealth effect. The Standard and Poor 500 Index has more than doubled from 1992 to 1998. The value of real household assets have also shot up, growing by over 9.0% per year since 1994. Second, low interest rates have encouraged mortgage refinancings and home equity borrowing. Third, the current expansion has not only produced strong employment and income growth, but it appears to have changed consumers' expectations. Indeed, Americans apparently believe that steady economic growth and low inflation will protect their income gains. This rise in confidence has boosted durable goods sales, as consumers are more willing to take on big-ticket purchases. A good example of this is the surge in light vehicle sales (cars and light trucks, including SUVs). Coming out of the recession, consumers were understandably hesitant to purchase vehicles. In 1992, about 13 million light vehicles were sold. In comparison, in May of this year light vehicles were selling at an astounding 17.3 million units annual rate. In addition to the robust economy, attractive pricing, low interest rates and the growing popularity of leasing are enhancing the strength of vehicle sales. The latter helps sales because the average lease life of about three years has increased the frequency of new vehicle acquisitions. The future is not without risks, however. Of major concern is whether the current low savings rate is too thin a cushion for consumers to fall back on. Several factors suggest this will not be a problem in the short term. First, official statistics under report personal savings because they do not count capital gains in personal income but they subtract the taxes paid on those gains to arrive at disposable personal income. Second, savings in the stock market are quite liquid, and a 401k can be used as collateral, much like savings. Third, although consumer debt is high, low interest rates have kept the debt-service burden reasonable. However, even these factors cannot keep spending aloft forever. Eventually the stock market will not be able to keep up its recent pace, and this will weigh down future real household asset gains. In addition, slower future job growth will also dampen consumer confidence. As a result of these factors, real consumer spending growth is expected to fall in line with real disposable income growth. Specifically, real spending is projected to rise 4.5% this year, 2.3% next year, 2.0% in 2001, and 2.3% in 2002.



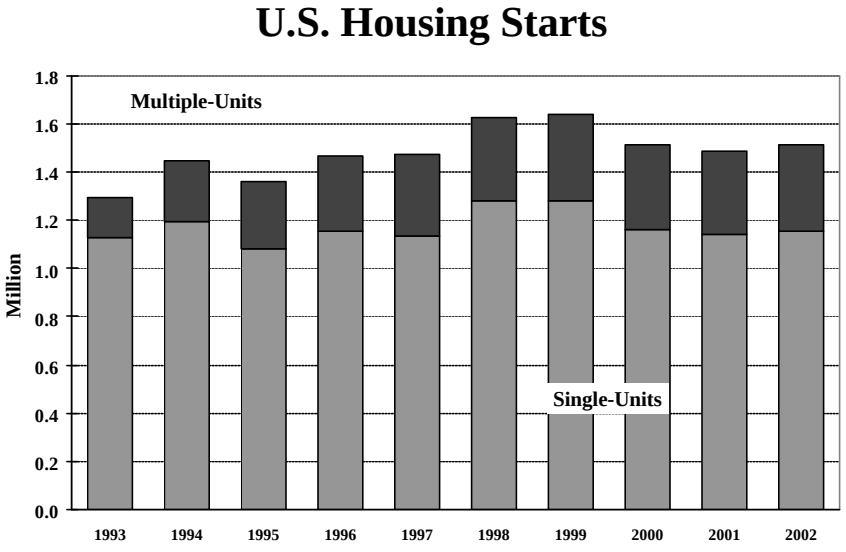
Financial: To almost no one's surprise, the Federal Open Market Committee announced on June 30, 1999 that it was raising the federal funds rate 25 basis points to 5.00%. After raising the rate, the

Federal Reserve was quick to add that it is taking a neutral stance. This is a change from last fall, when the Federal Reserve, in an effort to keep the economy moving, lowered the federal funds rate in three quick moves. The strong growth of real GDP in both the last quarter of 1998 and the first quarter of 1999 suggests that this policy has been successful. Unlike last fall, there was not a clear reason to raise rates this spring. Inflation, except for a temporary jump in April, seemed well under control. However, the Federal Reserve's move should be viewed as a preemptive strike to keep the economy from over heating. Although almost everyone knew the Federal Reserve would raise rates, not everyone agreed with this move. For example, DRI believed the economy would slow down without the central bank's intervention, and any tightening could be safely postponed. It should also be pointed out that the decision to tighten was not a straightforward one. There are several risks associated with tightening. First, if DRI was right and the economy would have slowed on its own, the higher interest rates could push the economy into a recession. The higher interest rates could also hurt the nation's already weak trade situation. Rising interest rates tend to raise the value of the dollar, which makes U.S. products more expensive in the global market. This is a concern because the European Central Bank has been cutting its interest rates, which has caused the newly minted euro to fall relative to the U.S. dollar. The rise in the federal funds rate widens the chasm between domestic and European interest rates.



Source: Standard and Poor's DRI

Housing: The U.S. housing industry is expected to slow over the forecast period after enjoying a run of strong growth. This industry's recent string of success began in the mid-1990s, when housing starts went from 1.36 million units in 1995 to 1.47 million units in 1996. It remained at about that level in 1997, but to the surprise of many jumped 10% in 1998 to 1.62 million units—its strongest showing in over a decade. Other measures echo the strength of housing starts. Home sales flirted with the 5.9 million-unit level in 1998, which was about 600,000 stronger than in the previous year. Inflation-adjusted spending on residential structures rose 10.5% last year. Fueling this industry's growth was the fortuitous combination of plentiful jobs, low interest rates, and a booming stock market. All of these will also

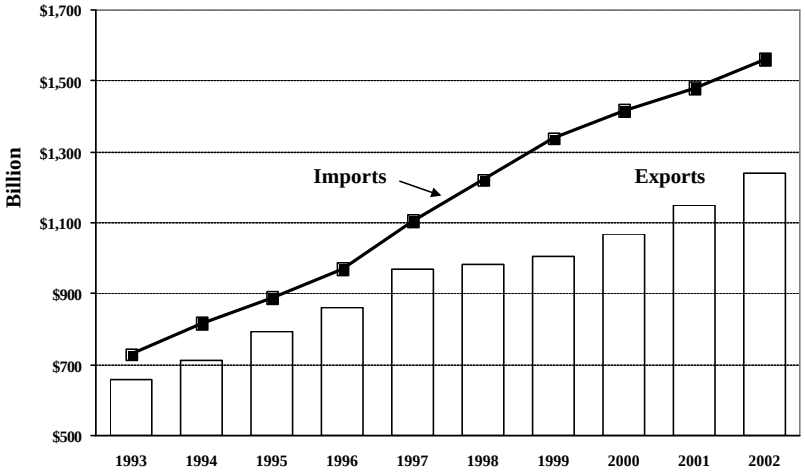


Source: Standard and Poor's DRI

determine this sector's path from here on out. So far this year, the housing industry has continued to soar. However, this was due in large part to unusual (and temporary) factors. For example, the nation's housing industry stayed hot all winter thanks to unusually mild weather conditions in many parts of the country. Estimated starts were boosted further by the seasonal adjustment process that assigns relatively more weight to winter housing starts. In fact, new housing was started at a 13-year high rate of 1.77 million units in the first quarter of this year, while single-family home starts set a 21-year record of 1.39 million units (annual rates). Eventually, even the high-flying housing industry will submit to softening fundamentals. The housing industry should have enough momentum to sustain a 1.6 million-unit pace this year. However, weaker job growth, higher interest rates, and smaller stock market gains will push starts below this level thereafter. Specifically, it was anticipated that there would be 1.64 million starts this year, 1.51 million in 2000, 1.49 million in 2001, and 1.51 million in 2002.

International: Trade is one of the few drags on an otherwise stellar U.S. economy. The U.S. trade deficit has widened as the expansion has aged. The current account deficit for merchandise and services has gone from $38.7 billion in 1992 to $169.3 billion in 1998. This change was caused by the deterioration of the merchandise component; it swelled from a deficit of $96.1 billion in 1992 to $248.2 billion in 1998. During this same period the U.S. built on its surplus of trade in services. The services trade surplus rose from $57.4 billion to $78.9 billion. Believe it or not, the trade situation has fared better than expected. In the early days of the Asian economic crises it was believed the U.S. trade deficit would be pummeled by a combination of factors. First, falling incomes abroad and the stronger dollar would hurt U.S. exports. Second, the strong dollar would make foreign imports more enticing to American consumers. Third, foreign countries would retreat to traditional strategies and attempt to export themselves back to prosperity. So far, only the first factor appears to have occurred with any significance. A look at the data shows that no flood of cheap imports has deluged the U.S. For example, the pace of real imports into the U.S. in 1998, while still high, was lower than in 1997. Conventional wisdom suggests that the pace of import growth should have quickened, not slackened. On the other hand, real exports, which had enjoyed 12.8% expansion in 1997, managed to eke out just 1.5% growth in 1998. Not surprisingly, the real net export deficit ballooned from $136.1 billion in 1997 to $238.2 billion in 1998. This deficit will continue to expand until improving foreign economies cause real exports to once again grow faster than real imports. While many of our trade partners' economies seemed to have turned the corner towards recovery, no improvement in the trade picture is expected until 2001. Specifically, the real net export deficit is forecast to be $330.8 billion in 1999, $350.8 billion in 2000, $332.5 billion in 2001, and $321.7 billion in 2002.

Real U.S. Imports and Exports

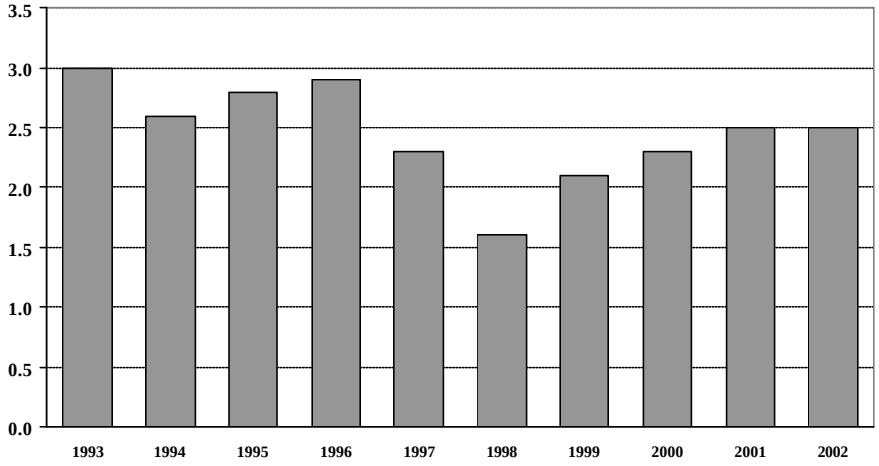


Source: Standard & Poor's DRI

Inflation: Inflation is expected to remain modest over the forecast period, despite its jump last spring. After posting its smallest gain since 1986 (1.5% in 1998), the consumer price index (CPI) jumped 0.7%

in April 1999. (This translates into an 8.7% annual inflation rate.) This set off warnings that inflation was back with a vengeance. However, a closer look reveals it was a false alarm. The April rise came in three primary areas. The first was energy prices, where the recent increase in oil prices caused gasoline prices to jump. The second was apparel, where the recent weakness of the dollar resulted in a sudden jump in clothing prices. Third, tobacco prices also rose. It should be pointed out that each of these increases marks the reversal of falling prices for these commodities. For example, the jump in gasoline prices reflects the rise in the refiners' acquisition price of imported crude from a depressed level of under $12 per barrel last winter to about $15 per barrel this spring. Even at $15 per barrel, oil is still considered a bargain. It should also be noted that all these impacts should be temporary. Again, using oil as an example. Oil prices jumped in response to the new OPEC production agreement. While members of the cartel have generally honored their quotas so far, these agreements are notoriously fragile because the incentives to cheat are high. This is especially true in several cash-strapped countries that need to get as much revenue from oil as possible. Thus, it seems unlikely that OPEC can control production enough to push the price of oil much higher. This being the case, one must look at employment costs to get an idea of where inflation is headed. Here is the good news — in the first quarter of this year the employment cost index was up only 3.4% from the previous year, despite the tightest job market in nearly three decades. It is believed that employment costs will rise near this level over the forecast period, and this will help dampen increases in other components of inflation. The CPI is anticipated to increase 2.1% in 1999, 2.3% in 2000, and 2.5% in both 2001 and 2002.

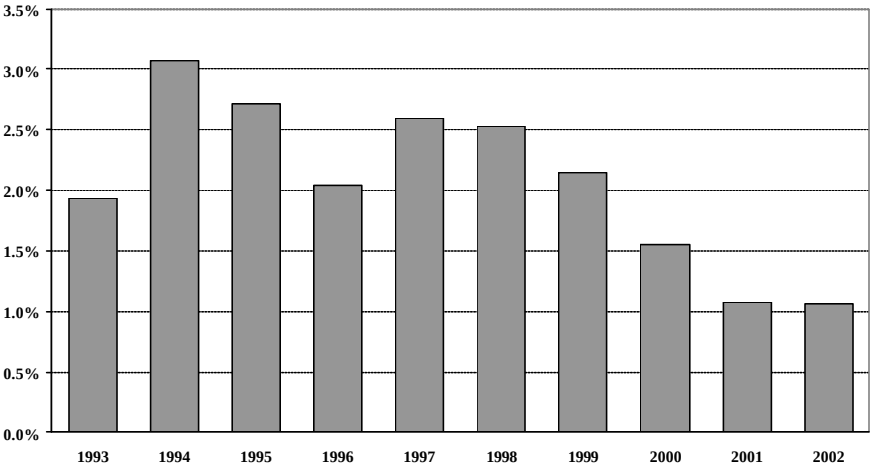
Consumer Price Inflation



Source: Standard and Poor's DRI

Employment: The U.S. employment situation is expected to soften over the forecast period. U.S. nonfarm employment posted back-to-back growth rates of 2.6% in both 1997 and 1998. This growth rate is projected to fall to 2.1% in 1999, then taper off to about 1.0% in the latter years of this forecast. Signs of a slowdown were already evident this spring. After increasing by 234,000 jobs in April, nonfarm employment added just 11,000 jobs in May. This was the smallest monthly increase since

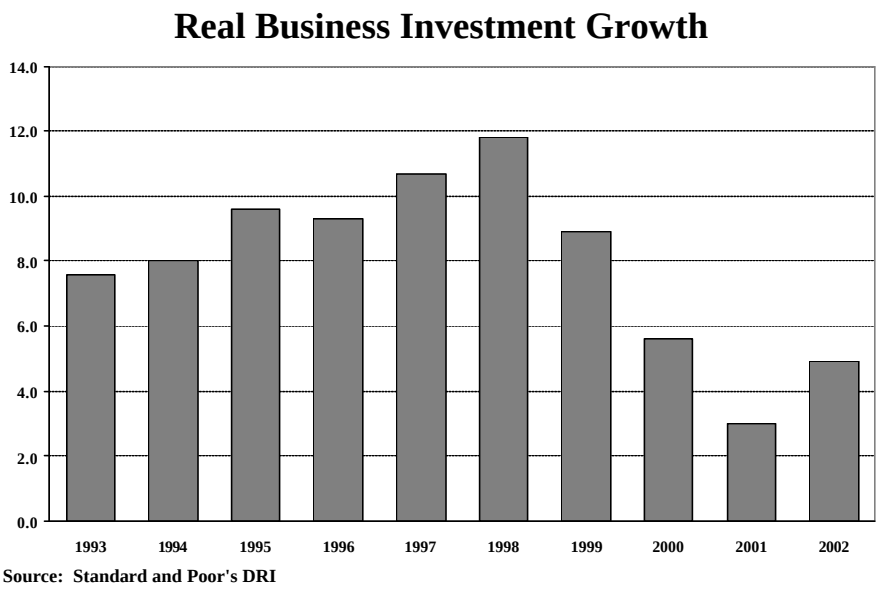
U.S. Nonfarm Employment Growth



Source: Standard and Poor's DRI

January 1996. In addition, total jobs were up only 2.7 million from a year earlier, marking the smallest 12-month advance since October 1996. The manufacturing sector has been particularly hard hit. For example, this sector actually lost 45,000 jobs in May. This was another month in a downward trend. Since March of 1998, manufacturing has eliminated more than 450,000 jobs. Despite these job losses, U.S. manufacturing capacity continues to rise thanks to soaring productivity. Over the past three years, output per hour in manufacturing has averaged 4.5% growth per year, which was a percentage point faster than in the early 1990s. The job picture has been brighter for the service sector. It added more than one job for every job that was cut from the manufacturing sector. From 1997 to 1998, the number of service sector jobs expanded nearly 3.0%. Some may argue the economy will suffer because "good" manufacturing jobs are being replaced by "bad" service jobs. However, many of today's service-sector jobs compare favorably with manufacturing-sector jobs. For instance, the average hourly wage in services was $13.32 in April, which was just about 50 cents less than in manufacturing. National nonfarm employment is forecast to rise 2.1% in 1999, 1.6% in 2000, 1.0% in 2001, and 1.1% in 2002. It should be pointed out that the civilian unemployment rate will rise slowly over this period, but it will remain well below the estimated full-employment mark of 5.5%.

Business Investment: Real business investment is projected to grow slower over the forecast period than it has in recent years. This will make it less of an engine of economic growth than it has been in the recent past. For the five years from 1992 to 1997, real investment spending growth averaged about 9.0% per year. During this same period the overall economy averaged about 3.0% annual growth. In fact, business investment has contributed more to the current expansion than to any of the other nine expansions since World War II. Indeed, one-fourth of the total GDP growth since 1991 has come from business investment, which is significantly larger than the average 15% share for the previous eight expansions. The strength in investment was due in large part the boom in producers' durable equipment spending. Falling computer prices, strong profits, favorable credit conditions, and competition fueled it. As the economy cools in the future, so will the need for business investment. Over the forecast period real business investment should slow to 8.9% in 1999, 5.6% in 2000, 3.0% in 2001, and 4.9% in 2002. Over this same period, the gap between real investment growth and real GDP growth will narrow, going from five percentage points in 1999 to just over three percentage points in 2002.



Source: Standard and Poor's DRI

IDAHO FORECAST DESCRIPTION
The Forecast Period is the First Quarter of 1999 to the Fourth Quarter of 2002

Idaho's economy is expected to slow, but not stop or decline, over the forecast period. Nonfarm employment grew by 2.5% in 1998. (Due to a reclassification of about 3,600 realtor jobs from covered employment to self-employed, the 1998 growth rate has been artificially lowered. Without the reclassification, Idaho nonfarm job growth would have been 3.2% in 1998.) While this was somewhat stronger than had been projected earlier, it was just below the national rate of 2.6%. This marks the first time since 1987 that Idaho nonfarm employment growth lagged its national counterpart. Most of last year's strength was in the services-producing sector, which grew by 2.9% and exactly matched the national pace. Idaho's goods-producing sector advanced 1.2% last year as this sector increased 1.3% nationally. The Gem State's goods-producing sector was weighed down by softness in mining and construction. Mining lost almost 200 jobs from 1997 to 1998. Construction employment was flat in 1998. In comparison, U.S. construction employment grew 4.9% last year. Manufacturing continued to buck this trend. While U.S. manufacturing employment managed to eke out just 0.3% growth, Idaho manufacturing employment rose 2.0%.

Idaho nominal personal income rose slightly faster than its national counterpart in 1998, 5.1% versus 5.0%. This was welcome news given the state's struggle with low agricultural commodity prices last year. On a nonfarm basis, Idaho nominal personal income actually grew a little faster than Idaho total personal income, 5.4% versus 5.1%. After adjusting for inflation, Idaho nonfarm personal income increased 4.6% in 1998 and Idaho total personal income grew 4.2%. National real total personal income advanced 4.2% last year.

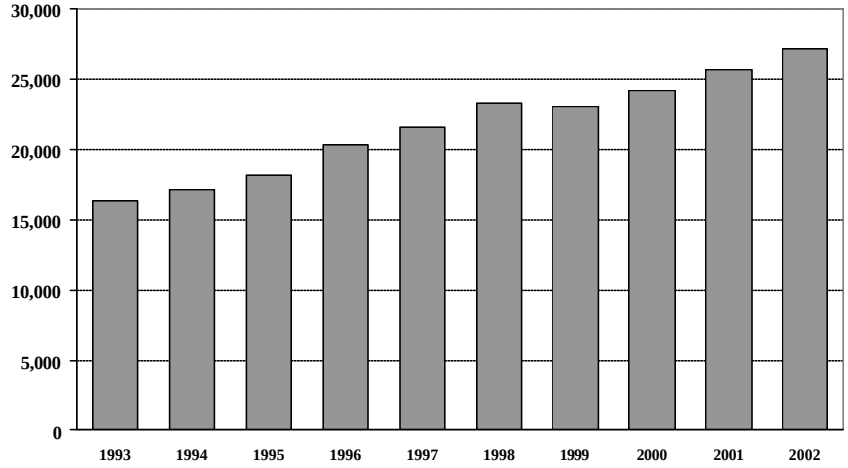
As was mentioned above, Idaho's economy is expected to slow over the forecast period. However, it should be added that it will not slow as soon as its national counterpart. For instance, Idaho nonfarm employment is forecast to rise 2.9% this year, 2.4% next year, 1.9% in 2001, and 2.0% in 2002. On the other hand, U.S. nonfarm employment should increase 2.1% in 1999, 1.6% in 2000, 1.0% in 2001, and 1.1% in 2002. Not surprisingly, Idaho real personal income grows faster than national real personal income also. Specifically, Idaho real total personal income is anticipated to rise 4.3% in 1999, 3.0% in 2000, 2.7% in 2001, and 2.8% in 2002. U.S. real total personal income is forecast to increase 3.5% this year, 2.6% next year, 1.9% in 2001, and 2.2% in 2002.

SELECTED IDAHO ECONOMIC INDICATORS

Electrical and Nonelectrical Machinery: The employment prospects for the state's electrical and nonelectrical manufacturing sector have been scaled back. In the April 1999 *Forecast* this sector's employment was forecast to grow from 23,461 in 1998 to 28,286 in 2002. In the current *Forecast* employment grows to 27,169 in 2002. There are two reasons for this change: the weaker-than-expected employment growth at the end of last year and beginning of this year and the slower growth in production of office and computer equipment. It was previously anticipated that this sector's employment would grow at about a 6.0% annual rate during both the last quarter of 1998 and first quarter of 1999. More recent data show that these projections were too optimistic. According to the new data, Idaho electrical and nonelectrical employment declined at nearly a 5.0% annual rate in the last quarter of 1998 and at a 2.2% annual pace in the first quarter of 1999. Thus, during the first quarter of this year, employment was already around 1,100 lower than had been previously forecast. The employment outlook is further tempered by the weaker demand for this sector's products due to the

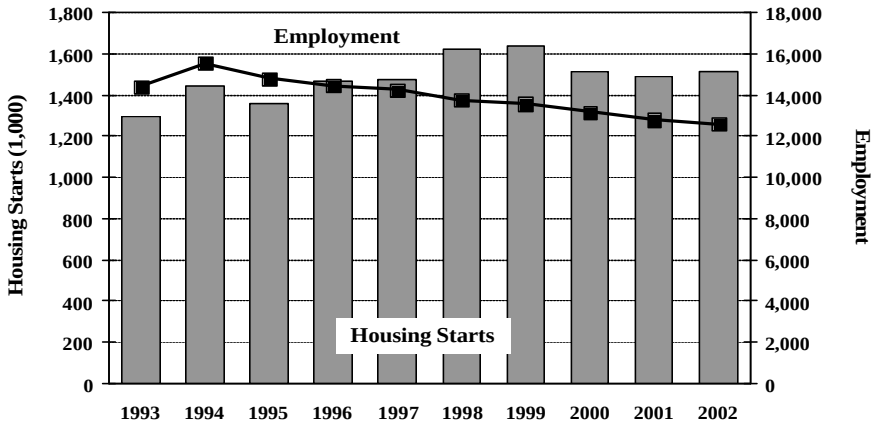
anticipated slower growth in office and computer equipment manufacturing. It should be noted that this situation should improve during the latter years of the forecast as office and computer equipment manufacturing pick up speed. The outlook for memory prices has also grown more uncertain. Earlier this year it was believed that memory prices had bottomed out and were poised for a turnaround. However, some industry analysts now feel that the long-awaited price recovery has been delayed yet again.

Idaho Electrical & Nonelectrical Employment



Lumber and Wood Products: Idaho lumber and wood products employment has been falling since 1994 and is expected to decline over the forecast period. Nearly 1,800 jobs were lost from 1994 to 1998. Last year's 500-job drop was especially disappointing given the strong U.S. housing market. Many of 1998's losses resulted from mill closures. About 40 positions were lost when Boise Cascade closed its Horseshoe Bend Mill in the fall of 1998. About 50 workers lost their jobs when the Gem State Lumber Company Mill was salvaged. In November 1998, Crown Pacific announced that it would close its Colburn, Idaho sawmill in January 1999. Nearly 100 workers were affected by the closure. The problem was not demand but supply. In fact, U.S. consumption of softwood lumber and structural panels set new records during 1998, at 52.8 billion board feet and 35.2 billion square feet, respectively. Lumber prices usually mirror housing demand. Last year, however, prices fell. This anomaly—record consumption and declining prices—can be explained by looking closely at export markets. U.S. exports last year totaled just over a billion board feet, which was down 31% from 1997 and roughly half its 1994 level. Canadian overseas exports dropped 25% last year. The weakness in export markets reflected plunging demand in Asia. The natural consequence of reduced Asian demand was a North American market awash in supply—and prices declined accordingly. Looking forward, it is hard to see how U.S. prices can escape the fundamental weakness in Asian export markets. With the industry geared up to produce 20-25% more lumber than is being consumed in North America and Asia, prices will remain under pressure. This

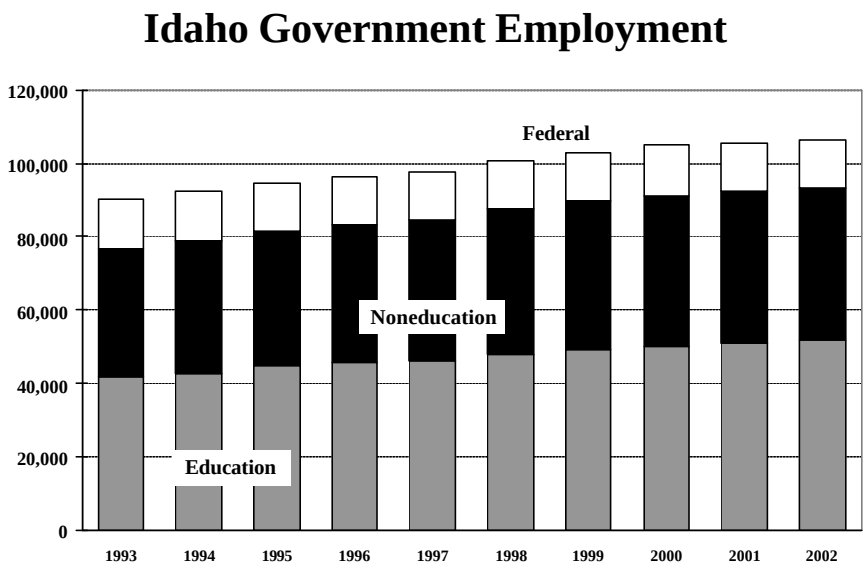
Idaho Lumber & Wood Products Employment and U.S. Housing Starts



Sources: Standard and Poor's DRI and DFM

does not bode well for employment in the lumber and wood products sector in the short term. This sector's future is also haunted by the dwindling supply of timber from public lands. The Northwest has traditionally been dependent on timber from federal forests. In recent years the supply of logs from these public lands has fallen. The uncertainty of public timber supply should limit future investment and further dampen employment in the Gem State's lumber and wood products sector. From 1998 to 2002, Idaho lumber and wood products employment is projected to fall from 13,734 to 12,571.

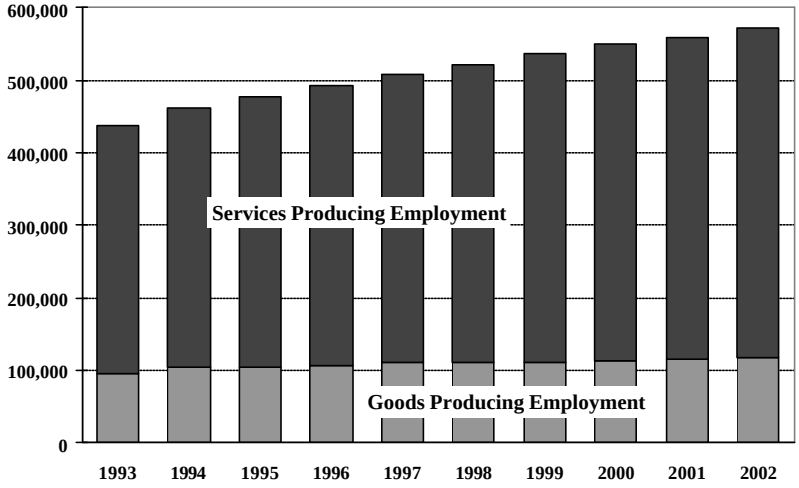
Federal, State, and Local Governments: Idaho state and local government employment growth should slow over the forecast period. Population and economic growth drive both of these sectors. For example, Idaho state and local employment combined advanced over 3.5% annually during the first half of this decade, which was more than twice the national average. During this same period, the Gem State's population grew as much as three times as fast as the U.S. population and its economic growth eclipsed its national counterpart. However, both population and economic growth should be cooler in the second half of the 1990s than in the first half. In addition to the slower economic and population growth, laws aimed at limiting the growth of local government budgets will further temper government employment opportunities. Thus, Idaho state and local employment growth is forecast to taper off over the next few years. Specifically, it is 2.5% in 1999, 1.5% in 2000, 1.3% in 2001, and 1.2% in 2002. This is slightly slower than its national counterpart. This sector can be broken into its two components to gauge how well each will fare over the next few years. Education-related employment should grow slightly faster than the Idaho government average, around 2.0% compared to 1.6%. Idaho noneducation government employment should average about 1.0% per year. Federal austerity measures do not bode well for the level of federal government employment in Idaho. In fact, Idaho federal government employment is anticipated to decline in three of the next four years. The only growth year is 2000, when the hiring of Census 2000 workers temporarily boosts federal payrolls.



Services-Producing Industries: The services-producing sector is the state's largest and most diverse employment category. Accounting for about 410,000 jobs (or nearly 80% of total nonfarm employment), this category includes finance, insurance, and real estate; transportation, communications, and public utilities; trade; services; and government. Not surprisingly, this sector has been the major engine of growth over the last few years. Over the ten years from 1988 to 1998 Idaho has gained roughly 138,000 services-producing jobs, which was also about 80% of the total job gain for that period. Although this sector is diverse, it is dominated by two components: trade and services. Each of these categories had well over 100,000 jobs in 1998, and together they accounted for over 60% of the service-producing jobs. Both of these categories have grown strongly in recent years thanks to the twin influences of favorable cyclical and structural factors. One of the most significant trends has been the increasing number of women in the labor force. This has raised the demand for a wide range of goods and services, such as childcare and meals away from home. Another change agent has been the growing number of single-person and single-parent

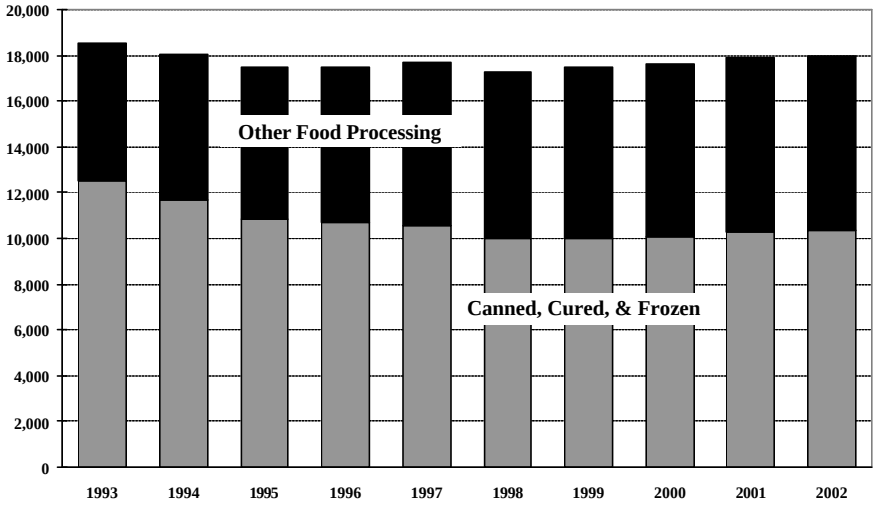
households, due partly to the increasing number of persons delaying their first marriages and the greater number of divorced persons. In the future, the aging baby-boom generation increases the demand for services for the aged. In addition, this generation of older persons will probably be healthier than previous generations and will demand more recreational/leisure services. Structural changes will also include the way businesses operate. With the onset of the information economy, companies have more flexibility in locating their operations. They are less tied to locating near their customer base, and can move to an area with a highly productive work force. Two examples of this are the Sears Regional Credit Center and the MCI Call Center. The communications component of service-related employment has gained from the opening of new call centers by GTE and US West. Ironically, manufacturing changes have also helped service employment. Instead of taking on new employees to meet peak production, many manufacturers now hire temporary workers from employment agencies. Since these persons are employees of the employment agency, they are classified as service employees even though they are performing manufacturing tasks. Trade sector employment has gained from the construction of several regional malls that not only cater to local customers but also attract out-of-state shoppers. It should be pointed out that non-economic factors also affect employment levels. For example, there has been a significant drop in the finance, insurance, and real estate category in 1998 compared to the previous year because the U.S. Bureau of Labor Statistics determined that 3,600 of the Idaho jobs reported as noncovered real estate should be classified as self-employed. This explains the nearly 10% employment drop from 1997 to 1998. Idaho services-producing employment is forecast to rise 3.5% in 1999, 2.7% in 2000, 2.0% in 2001, and 2.1% in 2002.

Idaho Nonfarm Employment



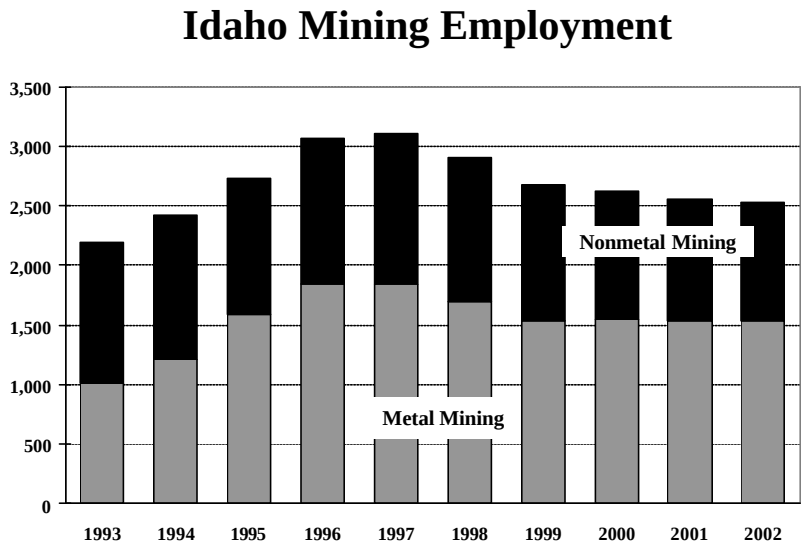
Food Processing: Idaho's largest nondurable manufacturing sector suffered a blow last fall when H.J. Heinz Company announced that it would consolidate Ore-Ida Foods Incorporated and Weight Watchers Gourmet Food Company into a new Pittsburgh-based entity called Heinz Frozen Food Company. This cost about 150 workers at the Weight Watchers Pocatello plant their jobs earlier this year. However, since then most of them have been recalled thanks to strong demand for the plant's products.

Idaho Food Processing Employment



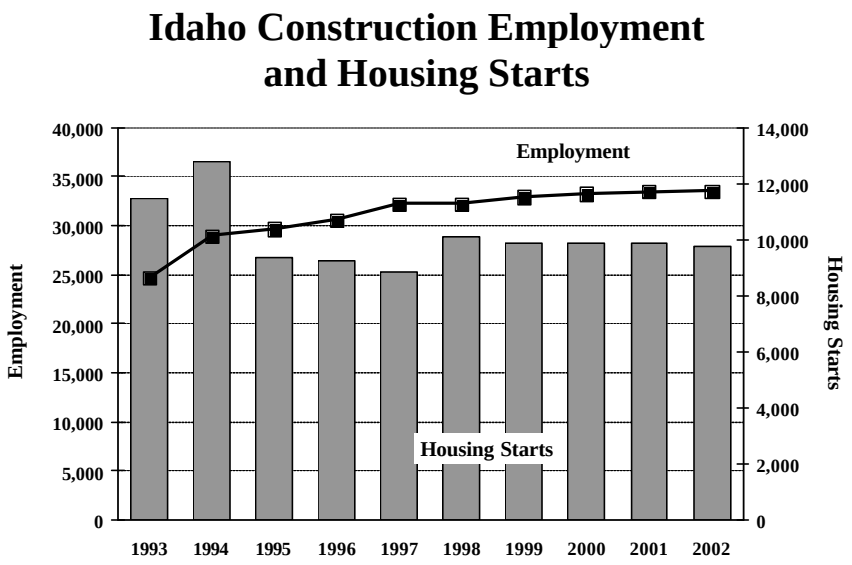
The state's dairy industry continues to expand. Darigold has announced that it will build a new plant in the Jerome Industrial Park. The plant will employ 15 to 18 workers per shift and run 24 hours per day, seven days a week. In addition to the Darigold plant, Magic Valley processors Jerome Cheese in Jerome and Avonmore West in Gooding are also expanding. In an effort to supply more milk to these manufacturers, a number of existing dairies are expanding and new dairies are being built. In other food processing news, Besnier Company out of Laval, France has acquired Simplot Dairy Products. The deal includes two cheese plants in Idaho. Employment at the plants is expected to remain constant. The Gem State's food processing employment is forecast to rise from 17,286 in 1998 to 17,968 in 2002.

Mining: The employment outlook for the state's mining sector has changed little since the last *Forecast* was published. In the April 1999 issue it was reported that this sector's employment would decline over the forecast period. This is still expected. This latest round of declines actually started last year, when the number of jobs dropped for the first time since 1993. One of the characteristics of the current decline is how widespread it is. Despite a booming national economy, metal prices have suffered from a deflationary trend. Lower prices contributed to the decision to cut production and lay off 75 of the 250 employees at the Thompson Creek molybdenum mine and mill in Custer County. The Delemar Mine in Owyhee County fell victim to low gold prices. In addition to the problems caused by global economic weaknesses, the current deflationary environment is being fueled by other factors. First, gold and silver have traditionally been held as hedges against inflation. With inflation well under control, the prices for these precious metals no longer reflect this premium. In addition, the liquidation of governmental gold reserves puts further pressure on prices. This May the United Kingdom Treasury announced it would sell 415,000 kilograms of its gold holdings. This will be its most significant sale in almost 30 years. Mining employment will also be affected by the winding down of Meridian Gold's Beartrack Mine in Lemhi County. The number of workers at the mine will shrink from the current 150 to about 15 to 25 employees by the first quarter of 2001. The biggest cuts will take place in the middle of next year, when the company plans to reduce employment by 60 to 70%. Metal mining is not the only category to face challenges. In addition to the slowing economy, nonmetal mining employment will suffer under the additional weight of construction and agricultural problems. The expected flattening of the construction industry will hurt certain nonmetal mining sectors, such as rock quarrying, sand, and gravel. Agricultural woes will probably result in shrinking acreage and a reduction of fertilizer production. This will affect companies in Southeast Idaho where both phosphorus ore is mined and fertilizer is manufactured. For example, FMC has reduced its work force by 25 due to poor market conditions. Overall, total mining employment in the Gem State should drop from 2,903 in 1998 to 2,524 in 2002.



Construction: Gem State construction employment is expected to grow much slower in the latter years of this decade than in the early years. Thanks to the building boom, construction employment averaged

over 10% growth annually from 1989 to 1995. Growth has been nowhere near that level since. In 1998, less than 30 jobs were added. This seems inconsistent with housing starts that jumped 14% that year. One possible explanation for this is the volatility of housing starts last year. Starts were strong during the first and last quarters of 1998, but weak in the second and third quarters. The outlook of declining housing starts does not bode well for employment in the state's construction sector, but commercial and public works-related projects are expected to mitigate the housing-induced weakness. Idaho housing starts are forecast to go from 10,123 in 1998 to 9,758 in 2002, with nearly all the decline coming from multi-family starts. Under these conditions, Idaho construction employment is expected to rise just 2.1% in 1999, 0.9% in 2000, 0.8% in 2001, and remain flat in 2002.



FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses DRI's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the April 1999 to the July 1999 *Idaho Economic Forecasts*. The April 1999 Idaho forecast was based on DRI's March 1999 U.S. macroeconomic forecast and the July 1999 Idaho forecast is driven by DRI's June 1999 forecast.

This section reviews the differences between the current and previous *Idaho Economic Forecast*s. A look at the nominal GDP for the next few years suggests the economy has improved. But other data suggest this measure overestimated the improvement. Fueled by lower interest rates, nominal GDP is about one-half percent higher in each year of the forecast. Some of this nominal gain will be offset by higher anticipated inflation. As the table shows, all three categories of inflation are higher in each year than earlier predicted. As a result, real GDP is just slightly higher than its April 1999 counterpart in most years. Specifically, it is 0.2% higher in 1999, 0.1% stronger in 2000, and 0.5% higher in 2002. In 2001, real GDP is actually 0.1% lower than had been previously forecast. The goods-producing sector is the major beneficiary of the stronger growth. The gap between this category's employment goes from being 0.1% higher than previously forecast in 1999 to 2.2% higher in 2002. The change in U.S. real personal income is not as one-sided. U.S. real personal income is down slightly in 1999 and 2001, unchanged in 2000, and up slightly in 2002.

The outlook of Idaho's economy has also brightened, but different facets of the Gem State's economy will experience different fates. First, the future for Idaho real personal income has clearly improved; it is higher in each year than was previously forecast. This is partially due to an improved outlook for wages, which reflects a national trend. In contrast, after gaining a quick start, Idaho nonfarm employment begins to slow in the second part of this forecast and its early advantage slips. The total nonfarm employment advantage peaks at 1,169 this year, but by 2002 it is virtually zero. All of this loss can be traced to the goods-producing sector, which is weaker in each year than was previously projected. The services-producing sector's job advantage drops from a high of 2,331 in 2000 to 731 in 2002.

IDAHO ECONOMIC FORECAST

FORECASTS COMPARISON

DIFFERENCES BETWEEN JULY 1999 AND APRIL 1999 FORECASTS

	1998	1999	2000	2001	2002
GDP (BILLIONS)					
Current $	0	40	50	31	95
% Difference	*0.0%*	*0.4%*	*0.5%*	*0.3%*	*1.0%*
1992 Chain-Weighted	0	17	9	-8	41
% Difference	*0.0%*	*0.2%*	*0.1%*	*-0.1%*	*0.5%*
PERSONAL INCOME - CURR $					
Idaho (Millions)	38	221	233	243	361
% Difference	*0.1%*	*0.8%*	*0.8%*	*0.8%*	*1.2%*
U.S. (Billions)	1	5	24	26	76
% Difference	*0.0%*	*0.1%*	*0.3%*	*0.3%*	*0.9%*
PERSONAL INCOME - 1992 $					
Idaho (Millions)	32	146	105	83	133
% Difference	*0.1%*	*0.6%*	*0.4%*	*0.3%*	*0.5%*
U.S. (Billions)	0	-9	-3	-11	18
% Difference	*0.0%*	*-0.1%*	*0.0%*	*-0.2%*	*0.3%*
TOTAL NONFARM EMPLOYMENT					
Idaho	-211	848	1,169	-58	50
% Difference	*0.0%*	*0.2%*	*0.2%*	*0.0%*	*0.0%*
U.S. (Thousands)	0	-276	244	235	820
% Difference	*0.0%*	*-0.2%*	*0.2%*	*0.2%*	*0.6%*
GOODS PRODUCING SECTOR					
Idaho	-328	-1,088	-1,162	-1,292	-681
% Difference	*-0.3%*	*-1.0%*	*-1.0%*	*-1.1%*	*-0.6%*
U.S. (Thousands)	0	35	269	363	532
% Difference	*0.0%*	*0.1%*	*1.1%*	*1.5%*	*2.2%*
SERVICE PRODUCING SECTOR					
Idaho	116	1,937	2,331	1,234	731
% Difference	*0.0%*	*0.5%*	*0.5%*	*0.3%*	*0.2%*
U.S. (Thousands)	0	-311	-25	-128	287
% Difference	*0.0%*	*-0.3%*	*0.0%*	*-0.1%*	*0.3%*
FINANCIAL MARKETS					
Federal Funds Rate	0.0	-0.1	-0.2	-0.2	-0.2
Bank Prime Rate	0.0	-0.1	-0.2	-0.2	-0.3
Mort Rate, New Homes	0.0	0.0	0.0	0.0	-0.1
INFLATION					
GDP Price Deflator	0.0	0.3	0.5	0.5	0.6
Personal Cons Deflator	0.0	0.2	0.4	0.6	0.8
Consumer Price Index	0.0	0.4	0.8	1.1	1.4

Forecast Begins the FIRST Quarter of 1999

ALTERNATIVE FORECASTS

DRI has assigned a 60% probability of occurrence to its June 1999 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP growth is 3.9% in 1999, then slows to 2.0% in 2000, rises to 2.1% in 2001, and increases to 2.6% in 2002;
- U.S. nonfarm employment growth is 2.1% this year, 1.6% next year, then averages about 1.0% thereafter;
- the U.S. civilian unemployment rate rises gradually over the forecast period, but remains well below the full-employment level;
- consumer confidence peaks in 1999, then slowly tapers off over the forecast period;
- consumer inflation creeps up from 1.6% in 1998 to 2.6% in 2002;
- the U.S. posts federal budget surpluses in each year of the forecast;
- and the U.S. merchandise trade deficit widens.

While the baseline scenario represents the most likely path for the national economy over the next few years, uncertainties surrounding several key variables mean that other outcomes are also possible. To account for this, DRI prepares alternative forecasts based on different assumptions regarding these key variables. Two of these alternative forecasts, along with their impacts on the Idaho economy, are discussed below.

While it is believed the economy will not suffer a recession over the forecast period, it should be noted that the risk of a recession is high. A review of the probabilities of occurrence for each forecast scenario shows this. The baseline does not include a recession and its probability of occurrence is 60%. However, both of the alternative scenarios do contain recessions and their combined probability of occurrence is 40%. This implies the chances of the economy not suffering a recession over the next few years are just better than even.

PESSIMISTIC SCENARIO

The *Pessimistic-Scenario* has been assigned a 15% probability of occurrence. The near-term risk to the U.S. forecast continues to be a major stock market correction. Because the low savings rate is driven by the high wealth/income ratio, spending may be more sensitive to a drop in the stock market than in the past. A decline in share prices could quickly undermine consumer confidence, and thus consumer spending. This alternative assumes such a correction occurs in 2000. This leads to a recession that same year. The downturn would be exacerbated by the Y2K problem. It is believed that economic activity in 1999 will profit from the expected build up in inventories, as businesses hedge against the so-called “millenium bug.” This will be followed by weaker production in early 2000, as businesses work down excess inventories.

This recession is expected to be relatively mild. Any recession would be met with quick Federal Reserve interest rate cuts. In 2000, it is expected that inflation will still be modest so the Federal Reserve will have more room to manipulate interest rates. This should quickly turn the economy around. The prompt Federal reserve action keeps the reaction mild, with a 1.6% peak-to-trough decline in real GDP. Not surprisingly,

IDAHO ECONOMIC FORECAST

BASELINE AND ALTERNATIVE FORECASTS

JULY 1999

	BASELINE				PESSIMISTIC				LATE RECESSION			
	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002
GDP (BILLIONS)												
Current $	8,947	9,246	9,605	10,044	8,942	9,026	9,373	9,881	8,965	9,407	9,962	10,213
% Ch	*5.1%*	*3.3%*	*3.9%*	*4.6%*	*5.1%*	*0.9%*	*3.8%*	*5.4%*	*5.3%*	*4.9%*	*5.9%*	*2.5%*
1992 Chain-Weighted	7,845	7,998	8,170	8,384	7,816	7,763	7,943	8,233	7,860	8,097	8,307	8,226
% Ch	*3.9%*	*2.0%*	*2.1%*	*2.6%*	*3.5%*	*-0.7%*	*2.3%*	*3.6%*	*4.1%*	*3.0%*	*2.6%*	*-1.0%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	27,384	28,703	30,079	31,625	27,368	28,453	29,722	31,298	27,404	28,961	30,833	32,584
% Ch	*5.7%*	*4.8%*	*4.8%*	*5.1%*	*5.7%*	*4.0%*	*4.5%*	*5.3%*	*5.8%*	*5.7%*	*6.5%*	*5.7%*
U.S. (Billions)	7,482	7,806	8,125	8,486	7,473	7,696	7,953	8,341	7,489	7,900	8,383	8,766
% Ch	*5.0%*	*4.3%*	*4.1%*	*4.5%*	*4.9%*	*3.0%*	*3.3%*	*4.9%*	*5.1%*	*5.5%*	*6.1%*	*4.6%*
PERSONAL INCOME - 1992 $												
Idaho (Millions)	23,962	24,690	25,349	26,071	23,865	24,300	24,886	25,651	23,966	24,746	25,456	25,959
% Ch	*4.3%*	*3.0%*	*2.7%*	*2.8%*	*3.8%*	*1.8%*	*2.4%*	*3.1%*	*4.3%*	*3.3%*	*2.9%*	*2.0%*
U.S. (Billions)	6,547	6,718	6,848	6,997	6,516	6,576	6,660	6,837	6,550	6,753	6,923	6,986
% Ch	*3.5%*	*2.6%*	*1.9%*	*2.2%*	*3.1%*	*0.9%*	*1.3%*	*2.7%*	*3.6%*	*3.1%*	*2.5%*	*0.9%*
TOTAL NONFARM EMPLOYMENT												
Idaho (Thousands)	536.5	549.4	559.7	571.0	535.7	542.3	550.2	563.9	536.6	551.3	563.1	568.2
% Ch	*2.9%*	*2.4%*	*1.9%*	*2.0%*	*2.7%*	*1.2%*	*1.5%*	*2.5%*	*2.9%*	*2.7%*	*2.1%*	*0.9%*
U.S. (Millions)	128.5	130.5	131.9	133.3	128.3	128.2	128.4	130.7	128.6	131.5	133.7	132.8
% Ch	*2.1%*	*1.6%*	*1.0%*	*1.1%*	*2.0%*	*-0.1%*	*0.2%*	*1.8%*	*2.2%*	*2.3%*	*1.7%*	*-0.7%*
GOODS PRODUCING SECTOR												
Idaho (Thousands)	111.8	113.0	114.9	116.9	111.5	109.6	111.4	115.2	112.0	114.5	117.2	114.1
% Ch	*0.5%*	*1.1%*	*1.6%*	*1.7%*	*0.2%*	*-1.7%*	*1.6%*	*3.5%*	*0.6%*	*2.3%*	*2.3%*	*-2.6%*
U.S. (Millions)	25.1	24.7	24.4	24.3	25.1	23.9	23.3	23.6	25.1	25.0	25.1	24.1
% Ch	*-0.6%*	*-1.8%*	*-1.0%*	*-0.6%*	*-0.8%*	*-4.7%*	*-2.5%*	*1.4%*	*-0.4%*	*-0.6%*	*0.2%*	*-4.0%*
SERVICE PRODUCING SECTOR												
Idaho (Thousands)	424.7	436.3	444.8	454.2	424.2	432.7	438.8	448.6	424.7	436.7	445.8	454.0
% Ch	*3.5%*	*2.7%*	*2.0%*	*2.1%*	*3.4%*	*2.0%*	*1.4%*	*2.2%*	*3.5%*	*2.8%*	*2.0%*	*1.7%*
U.S. (Millions)	103.4	105.8	107.4	109.0	103.2	104.3	105.1	107.1	103.4	106.5	108.6	108.8
% Ch	*2.8%*	*2.4%*	*1.5%*	*1.5%*	*2.7%*	*1.0%*	*0.8%*	*1.9%*	*2.9%*	*2.9%*	*2.0%*	*0.1%*
FINANCIAL MARKETS												
Federal Funds Rate	*4.7%*	*4.8%*	*4.8%*	*4.8%*	*4.9%*	*4.6%*	*4.3%*	*4.3%*	*4.7%*	*4.8%*	*5.7%*	*6.6%*
Bank Prime Rate	*7.8%*	*7.7%*	*7.7%*	*7.7%*	*7.2%*	*7.6%*	*7.3%*	*7.3%*	*7.8%*	*7.8%*	*8.8%*	*9.6%*
Mort Rate, New Homes	*7.1%*	*7.3%*	*7.1%*	*6.8%*	*7.2%*	*7.6%*	*7.2%*	*7.1%*	*7.1%*	*7.2%*	*7.2%*	*8.1%*
INFLATION												
GDP Price Deflator	*1.2%*	*1.4%*	*1.7%*	*1.9%*	*1.5%*	*1.7%*	*1.5%*	*1.7%*	*1.2%*	*1.9%*	*3.2%*	*3.5%*
Personal Cons Deflator	*1.4%*	*1.7%*	*2.1%*	*2.2%*	*1.8%*	*2.1%*	*2.0%*	*2.2%*	*1.4%*	*2.3%*	*3.5%*	*3.6%*
Consumer Price Index	*2.1%*	*2.3%*	*2.5%*	*2.5%*	*2.4%*	*2.7%*	*2.3%*	*2.4%*	*2.1%*	*2.9%*	*4.0%*	*4.0%*

Forecast Begins the FIRST Quarter of 1999

the interest-rate-sensitive sectors of the economy recover the quickest. By 2002, the stock market is expected to have made up the entire 15.6% value drop it experienced in 2000.

Like its national counterpart, Idaho's economy is most affected in 2000 and 2001. Idaho nonfarm employment manages to grow just 1.2% in 2000 and 1.5% in 2001. In the baseline case employment was expected to rise 2.4% in 2000 and 1.9% in 2001. However, it does come back strongly in 2002. In that year nonfarm employment should increase 2.5%, which is much stronger than the baseline's 2.0% pace. Despite this surge, there are about 7,000 less jobs in 2002 under this forecast than under the baseline case. Idaho real personal income displays a similar growth pattern. That is, it grows much slower in 2000 compared to the baseline, picks up speed in 2001, and grows faster than the baseline in 2002. Like employment, however, it too is lower than its baseline counterpart in 2002.

LATE-RECESSION SCENARIO

The *Late-Recession Scenario* has also been assigned a higher probability than the *Pessimistic Scenario* (25% versus 15%). This is because the *Late-Recession Scenario* is a typical end-of-expansion recession, and it seems more likely to finish the current expansion than an early recession. In this scenario, the U.S. economy grows stronger in 1999-2000 than in the baseline. As a result, the unemployment rate stays low, which keeps consumer confidence elevated. In addition, it is assumed that a federal tax cut is enacted. The U.S. stock market keeps climbing. Consumer spending booms under these conditions, but there is a high cost associated with the good times. Tighter labor markets push inflation higher. More importantly, commodity prices, including oil, rebound as foreign economies recover and the U.S. economy surges.

The Federal Reserve is initially hesitant to "take the punchbowl away from the party." But as inflationary pressures bubble to the surface, the Federal Reserve can no longer postpone the inevitable. It raises interest rates sharply beginning in late 2000, with the federal funds rate reaching 7.0% in early 2002. In addition, it assumed that a stock market correction hits during this period, which takes a toll on consumer confidence. The combination of higher interest rates and damaged consumer confidence hurts consumer spending, especially for large-ticket items. The economy falls into a recession in 2001. The Federal Reserve would like to end the recession quickly, but finds its options limited. The high inflation prevents the nation's central bank from aggressively lowering rates. As a result, this recession is deeper and longer than the one depicted in the *Pessimistic Scenario*.

Also in this scenario, Idaho's economy actually out performs its baseline counterpart in both this year and next. Idaho nonfarm employment rises 2.7% in 2000 and 2.1% in 2001. In comparison it was expected to increase 2.4% in 2000 and 1.9% in 2001 in the baseline case. Idaho real personal income growth is 3.3% this year and 2.9% next year, which is greater than in the baseline. However, it is not expected to maintain these margins through the forecast period. The economic slowdown anticipated in this scenario causes both nonfarm employment and real income to grow slower than in the baseline in 2002.

UNDERSTANDING THE SOCIAL SECURITY DEBATE [*]

Mary C. Daly

A recent poll indicated that there is considerable confusion about the state and the fate of the Social Security system (NPR 1999). While most Americans are aware of Social Security's impending financial crisis, confusion over the dimensions of the program's problems appears to be undermining support for the measures required to resolve them. This Economic Letter reviews some of the basic facts about the U.S. Social Security system, describes how it is financed and the factors contributing to its future insolvency, and discusses options for restoring its financial health.

U.S. Social Security System

The Social Security program was enacted in 1935 in response to the economic hardships imposed by the Great Depression. While the original program paid benefits to a limited number of retired workers, numerous expansions have made Social Security the most comprehensive public program in the United States. Over 90% of American workers participate in the Social Security system, contributing payroll taxes in exchange for publicly provided retirement, disability, and survivors' insurance for themselves and their families. In addition to providing near universal, as well as portable and inflation-resistant, insurance against earnings loss, the Social Security program has a redistributive function that shores up the retirement incomes of life-time low earners, a feature not available in private pension plans.

Impact on Retirement Security

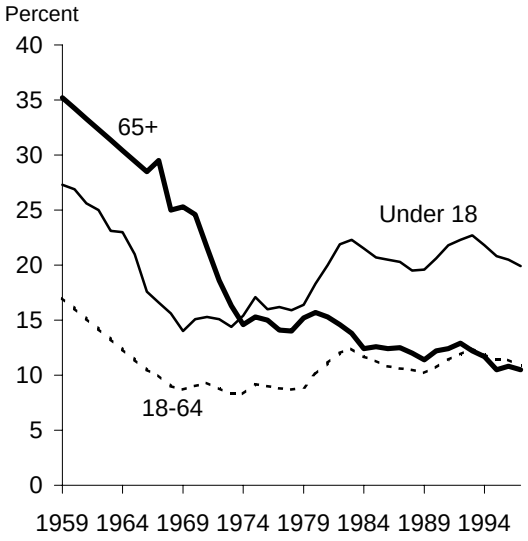
The Social Security program has dramatically improved the economic well-being of the elderly. Estimates suggest that when Social Security began close to 50% of the elderly lived in poverty. By 1959 the rate had fallen to 35%, but remained higher than that of other groups, including children and working-age adults. During the 1960s and early 1970s, Social Security benefits increased substantially and poverty rates among the elderly declined rapidly (Figure 1). By 1974, the poverty rate for elderly Americans had fallen below that for children, where it has remained since. In 1993 it fell below the rate for working-age adults. Today only 11% of the elderly have incomes below the federal poverty line.

Studies show that without income from Social Security, the poverty rate for the elderly would be much higher. The Social Security Administration estimates that 47% of individuals age 65 and older would live in poverty without Social Security benefits, four times as many as are in poverty today (SSA 1999). Social Security's poverty reducing record, along with its inclusiveness, have made Social Security one of the most popular social programs in history.

---

[*] Reprinted from the Federal Reserve Bank of San Francisco *Economic Letter*, Number 99-20, June 25, 1999. The opinions expressed in this newsletter do not necessarily reflect the views of the management of the Federal Reserve Bank of San Francisco, or of the Board of Governors of the Federal Reserve System.

Figure 1
U.S. Poverty Rates



Social Security Financing

Although the language used to describe Social Security speaks of payroll contributions, retirement savings, and a trust fund, Social Security is unlike any private pension plan. Instead of investing workers' payroll tax contributions when they are young and allowing them to draw down the interest and principal during retirement, Social Security uses taxes from current workers to finance payments to current beneficiaries, a system known as pay-as-you-go. In the event that more Social Security taxes are paid in a year than are necessary to fund current beneficiaries, the Social Security Administration purchases special securities from the Treasury Department and holds them in the Social Security trust fund. The bonds in the trust fund earn interest equal to the average rate of return on publicly traded government debt; this interest is credited to the trust fund in the form of additional Treasury securities.

In 1998, the Social Security Administration collected $440 billion in taxes and paid $382 billion in benefits and administrative fees, generating a yearly surplus of $58 billion dollars to be invested in Treasury bonds. Interest earned on existing trust fund assets during 1998 totaled $49 billion, producing an overall annual surplus of $107 billion. With the addition of this surplus revenue, the Social Security trust fund closed 1998 with about $763 billion in assets.

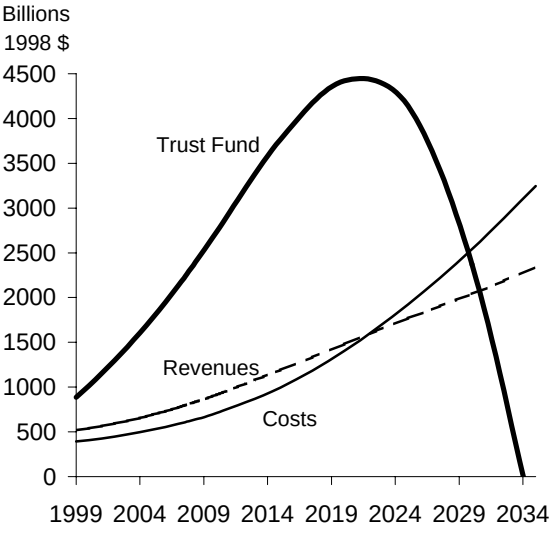
Long-term Financial Imbalance

Although Social Security currently is booking a surplus, collecting more taxes than it pays out in benefits, major demographic changes threaten to erode its solvency. Based on intermediate projections by actuaries at the Social Security Administration, benefit payments will outstrip tax revenues beginning in 2014. By about 2022, benefit payments will be larger than tax revenues plus interest from the trust fund, and Social Security will need to sell Treasury securities to generate sufficient revenue to pay claims. By 2034, the trust fund itself will be depleted and the Social Security system will depend completely on tax revenues, which are expected to cover 71% of outstanding claims (Figure 2).

The Trust Fund

Despite the fact that the Social Security trust fund is expected to last through 2034, the costs of the Social Security imbalance will be felt 20 years earlier, when the Social Security Administration begins to redeem its Treasury bonds. Under the unified budgeting system, surplus revenues given annually to the Treasury by Social Security in exchange for bonds are used to finance deficit spending by other areas of government. Some of these activities can be thought of as investments, such as transportation and education, but many others are pure consumption--transfer payments, for example. Either way, when payroll tax revenues no longer cover benefit claims in 2014, the Social Security Administration will turn to the Treasury, which will need to finance the interest and principal payments by borrowing from the public, reducing spending on other federal programs, or raising revenues. Taxpayers likely will feel the costs in the form of increased taxes or in the form of reduced resources for other activities.

Figure 2
Social Security Finances



Source: SSA, 1999

How Did This Happen?

The viability of pay-as-you-go financing schemes depends heavily on the size of the pool of taxpayers (workers) compared to the pool of beneficiaries (retirees). In 1935, when Social Security was conceived, there were roughly 16 workers for every beneficiary, more than enough to support a modest pay-as-you-go retirement program. Over time, program expansions and behavioral changes steadily reduced this ratio so that today there are just 3.3 workers per beneficiary. Shifting demographics will reduce the worker-to-beneficiary ratio further during the next 30 years. Official projections indicate that by 2030 there will be just 2 workers for every person collecting Social Security benefits.

A major contributor to the projected decline in the worker-to-beneficiary ratio is the rapidly approaching retirement of the baby boom generation. The oldest of the generation will reach retirement age (65) in 2011, and the youngest will reach it in 2029. The aging of such a large generation alone would strain the ability of the program to pay benefits, but the stress is compounded by the fact that a relatively small generation, the baby bust, follows, and subsequent fertility rates have remained low. As a result, the population of elderly as a share of the U.S. population is expected grow from 13% to 20% during the baby boom's retirement, an increase of 54%.

Exacerbating these population trends are increases in life expectancy and declines in the average retirement age. In 1950 life expectancy for males after age 65 was 12.8 years and the average retirement age was 69. Thus, for the average male retirement lasted about 9 years. Today, male life expectancy after age 65 is 15.7 years, and the average retirement age has fallen to 64, meaning that the average male will spend approximately 17 years in retirement, about twice as long as earlier recipients. Projections indicate that these trends in life expectancy and retirement will continue. In 2030 men who reach the age of 65 are expected to live an additional 17.3 years, and spend nearly one quarter of their lives in retirement.

Restoring Solvency

Although talk of reform dominates the current debate, Social Security's long-term financial balance can be restored without changing the program's basic structure. For example, the 75-year actuarial balance could be restored simply and quickly by raising the current payroll tax by 2.1 percentage points, from 12.4% to 14.5%. Revenues could also be increased by expanding the taxable payroll level on earnings, including nonwage compensation as covered earnings, and increasing the income taxation of Social Security benefits. On the other hand, expenditures could be reduced by eliminating or decreasing existing benefits, altering the benefit formula, increasing the normal and early retirement ages, limiting or removing cost-of-living adjustments on benefits, strengthening the earnings test, and imposing means-testing for benefits. (For estimates of the effects of each of these proposals, see GAO 1998.)

Measures like these have been used before (in 1982 for example), but polls indicate that currently there is little support for restoring Social Security's solvency by raising taxes or reducing benefits. Younger workers are reluctant to accept additional payroll taxes, particularly when they do not expect to receive Social Security benefits themselves; older workers are opposed to higher ages for retirement and means-testing benefits; and retirees do not want to see cost-of-living adjustments eliminated. The lack of consensus around these options has prompted unprecedented discussion of more basic reforms of the Social Security system.

Ideas for Reform

Investment diversification, privatization, and prefunding are three concepts receiving the attention of policymakers. Although many plans incorporate all three reforms, each could be implemented independently. Diversification refers to altering the investment strategy of Social Security, allowing

funds to be invested in assets other than Treasury securities. The idea behind diversification is to take advantage of the historical return advantage of common stocks over other financial assets (see Lansing 1998 for a discussion of investment diversification). Privatization describes a system of personal retirement accounts that are owned and directed by participants. The key element of all privatization plans is that they award individuals greater investment freedom; in exchange, individuals take on the investment risk currently borne by the government. Prefunding involves saving privately issued assets (like corporate bonds and equities) to finance future claims against the system. Advance funding would make the Social Security system more like private retirement programs where each generation builds up assets sufficient to cover its future retirement costs.

Key to Success

Proposals for reforming Social Security abound and range from maintaining the current structure and tinkering with the investment strategy to dismantling Social Security altogether and privatizing retirement savings. The key to the success of any of these alternatives is early implementation. Each year that no action is taken shortens the number of years over which the costs are shared and shifts a larger portion of the costs to future generations.

References

Annual Report of the Board of Trustees of the OASDI Trust Funds. 1999. Washington, DC: U.S. Department of Health and Human Services.

Lansing, Kevin. 1998. "Can the Stock Market Save Social Security?" *FRBSF Economic Letter 98-37* (Dec. 11).

National Public Radio. 1999. "NPR, the Kaiser Family Foundation, and Harvard University's Kennedy School of Government's Poll on Social Security."

Social Security Administration, Office of Research, Evaluation, and Statistics. 1999. "How Does Social Security Help Americans?"

U.S. General Accounting Office. 1998. Social Security: Different Approaches for Addressing Program Solvency. /GAO/HEHS-98-33.

IDAHO ECONOMIC FORECAST

JULY 1999

FORECAST DETAIL

Reporting Conventions

Units of measurement are presented in the individual reports. If not otherwise indicated, population is in millions; income is in billions; and employment is in thousands.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

Data Sources

National forecast data are provided by Standard and Poor's DRI and the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data are obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

DEMOGRAPHICS

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
POPULATION										
Idaho (Thousands)	982.2	991.5	993.8	990.5	986.6	988.5	996.7	1,010.7	1,037.5	1,068.1
% Ch	*0.9%*	*0.9%*	*0.2%*	*-0.3%*	*-0.4%*	*0.2%*	*0.8%*	*1.4%*	*2.6%*	*3.0%*
National (Millions)	234.6	236.6	238.7	240.9	243.1	245.3	247.7	250.3	253.0	255.7
% Ch	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*1.0%*	*1.1%*	*1.1%*	*1.1%*
BIRTHS										
Idaho (Thousands)	18.742	17.996	17.5385	16.4235	15.905	15.759	15.863	16.423	16.741	17.197
% Ch	*-4.3%*	*-4.0%*	*-2.5%*	*-6.4%*	*-3.2%*	*-0.9%*	*0.7%*	*3.5%*	*1.9%*	*2.7%*
National (Thousands)	3,639.0	3,669.0	3,761.0	3,757.0	3,809.0	3,910.0	4,041.0	4,158.0	4,110.0	4,038.0
% Ch	*-1.1%*	*0.8%*	*2.5%*	*-0.1%*	*1.4%*	*2.7%*	*3.4%*	*2.9%*	*-1.2%*	*-1.8%*
DEATHS										
Idaho (Thousands)	7.204	7.229	7.105	7.345	7.307	7.611	7.389	7.358	7.644	7.887
% Ch	*4.0%*	*0.3%*	*-1.7%*	*3.4%*	*-0.5%*	*4.2%*	*-2.9%*	*-0.4%*	*3.9%*	*3.2%*
National (Thousands)	2,019.0	2,039.0	2,086.0	2,105.0	2,123.0	2,168.0	2,150.0	2,162.0	2,163.0	2,210.0
% Ch	*2.2%*	*1.0%*	*2.3%*	*0.9%*	*0.9%*	*2.1%*	*-0.8%*	*0.6%*	*0.0%*	*2.2%*
NET MIGRATION										
Idaho (Thousands)	-3.141	-1.487	-8.149	-12.390	-12.541	-6.249	-0.251	4.984	17.628	21.365
HOUSING										
HOUSING STARTS										
Idaho	4,453	4,548	4,337	4,164	3,409	3,334	4,674	5,831	6,600	9,583
% Ch	*74.3%*	*2.1%*	*-4.6%*	*-4.0%*	*-18.1%*	*-2.2%*	*40.2%*	*24.8%*	*13.2%*	*45.2%*
National (Millions)	1.705	1.766	1.741	1.812	1.631	1.488	1.382	1.203	1.009	1.201
% Ch	*61.3%*	*3.6%*	*-1.4%*	*4.0%*	*-10.0%*	*-8.7%*	*-7.1%*	*-12.9%*	*-16.2%*	*19.1%*
SINGLE UNITS										
Idaho	3,755	3,588	3,212	3,157	2,744	2,981	3,711	4,786	5,662	7,899
% Ch	*74.0%*	*-4.5%*	*-10.5%*	*-1.7%*	*-13.1%*	*8.6%*	*24.5%*	*29.0%*	*18.3%*	*39.5%*
National (Millions)	1.065	1.098	1.071	1.182	1.154	1.083	1.006	0.901	0.835	1.032
% Ch	*60.6%*	*3.1%*	*-2.5%*	*10.4%*	*-2.4%*	*-6.2%*	*-7.1%*	*-10.5%*	*-7.3%*	*23.6%*
MULTIPLE UNITS										
Idaho	698	961	1,125	1,007	665	353	963	1,046	938	1,684
% Ch	*75.9%*	*37.6%*	*17.1%*	*-10.5%*	*-33.9%*	*-47.0%*	*173.2%*	*8.6%*	*-10.3%*	*79.6%*
National (Millions)	0.641	0.668	0.671	0.630	0.476	0.405	0.376	0.303	0.174	0.170
% Ch	*62.4%*	*4.3%*	*0.4%*	*-6.1%*	*-24.3%*	*-15.0%*	*-7.2%*	*-19.5%*	*-42.6%*	*-2.4%*
HOUSING STOCK										
Idaho (Thousands)	311.7	315.4	318.7	322.1	324.8	327.1	330.1	334.8	339.8	347.4
% Ch	*0.9%*	*1.2%*	*1.0%*	*1.1%*	*0.8%*	*0.7%*	*0.9%*	*1.4%*	*1.5%*	*2.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

DEMOGRAPHICS

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
POPULATION										
Idaho (Thousands)	1,098.4	1,131.0	1,159.9	1,186.7	1,211.0	1,231.0	1,251.0	1,270.7	1,289.9	1,308.2
% Ch	*2.8%*	*3.0%*	*2.6%*	*2.3%*	*2.0%*	*1.7%*	*1.6%*	*1.6%*	*1.5%*	*1.4%*
National (Millions)	258.4	260.9	263.3	265.8	268.2	270.6	272.9	275.2	277.5	279.8
% Ch	*1.0%*	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.8%*	*0.8%*	*0.8%*
BIRTHS										
Idaho (Thousands)	17.575	17.690	17.915	18.482	18.599	18.688	18.873	19.087	19.281	19.446
% Ch	*2.2%*	*0.7%*	*1.3%*	*3.2%*	*0.6%*	*0.5%*	*1.0%*	*1.1%*	*1.0%*	*0.9%*
National (Thousands)	3,997.0	3,964.0	3,935.0	3,911.0	3,892.0	3,880.0	3,874.0	3,872.0	3,876.0	3,885.0
% Ch	*-1.0%*	*-0.8%*	*-0.7%*	*-0.6%*	*-0.5%*	*-0.3%*	*-0.2%*	*-0.1%*	*0.1%*	*0.2%*
DEATHS										
Idaho (Thousands)	8.277	8.478	8.553	8.679	8.953	9.105	9.255	9.405	9.551	9.693
% Ch	*4.9%*	*2.4%*	*0.9%*	*1.5%*	*3.2%*	*1.7%*	*1.7%*	*1.6%*	*1.6%*	*1.5%*
National (Thousands)	2,237.0	2,264.0	2,291.0	2,318.0	2,345.0	2,372.0	2,399.0	2,424.0	2,446.0	2,467.0
% Ch	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.1%*	*1.0%*	*0.9%*	*0.9%*
NET MIGRATION										
Idaho (Thousands)	20.977	23.411	19.563	16.982	14.572	10.466	10.350	10.076	9.440	8.582
HOUSING										
HOUSING STARTS										
Idaho	11,456	12,768	9,360	9,218	8,866	10,123	9,891	9,881	9,870	9,758
% Ch	*19.5%*	*11.5%*	*-26.7%*	*-1.5%*	*-3.8%*	*14.2%*	*-2.3%*	*-0.1%*	*-0.1%*	*-1.1%*
National (Millions)	1.292	1.446	1.361	1.469	1.476	1.623	1.640	1.509	1.487	1.514
% Ch	*7.5%*	*12.0%*	*-5.9%*	*7.9%*	*0.5%*	*10.0%*	*1.0%*	*-8.0%*	*-1.4%*	*1.8%*
SINGLE UNITS										
Idaho	8,938	9,423	7,282	7,853	7,662	9,054	9,116	9,233	9,293	9,224
% Ch	*13.1%*	*5.4%*	*-22.7%*	*7.8%*	*-2.4%*	*18.2%*	*0.7%*	*1.3%*	*0.6%*	*-0.7%*
National (Millions)	1.131	1.191	1.082	1.154	1.137	1.279	1.282	1.164	1.144	1.156
% Ch	*9.6%*	*5.4%*	*-9.2%*	*6.7%*	*-1.5%*	*12.5%*	*0.3%*	*-9.2%*	*-1.7%*	*1.1%*
MULTIPLE UNITS										
Idaho	2,518	3,346	2,078	1,365	1,203	1,069	774	648	577	535
% Ch	*49.5%*	*32.9%*	*-37.9%*	*-34.3%*	*-11.9%*	*-11.2%*	*-27.5%*	*-16.4%*	*-10.8%*	*-7.4%*
National (Millions)	0.161	0.255	0.279	0.314	0.338	0.344	0.357	0.345	0.344	0.358
% Ch	*-5.1%*	*58.3%*	*9.4%*	*12.7%*	*7.7%*	*1.6%*	*4.0%*	*-3.6%*	*-0.3%*	*4.3%*
HOUSING STOCK										
Idaho (Thousands)	356.9	368.7	377.8	386.2	393.7	402.3	411.1	419.7	428.3	436.8
% Ch	*2.7%*	*3.3%*	*2.4%*	*2.2%*	*1.9%*	*2.2%*	*2.2%*	*2.1%*	*2.1%*	*2.0%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
JULY 1999

OUTPUT, INCOME, & WAGES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
GROSS DOM. PRODUCT (Billions)										
Current Dollars	3,514.5	3,902.4	4,180.7	4,422.2	4,692.3	5,049.6	5,438.7	5,743.8	5,916.7	6,244.5
% Ch	*8.4%*	*11.0%*	*7.1%*	*5.8%*	*6.1%*	*7.6%*	*7.7%*	*5.6%*	*3.0%*	*5.5%*
1992 Chain-Weighted	4,803.7	5,140.1	5,323.5	5,487.7	5,649.4	5,865.2	6,062.0	6,136.3	6,079.4	6,244.4
% Ch	*4.0%*	*7.0%*	*3.6%*	*3.1%*	*2.9%*	*3.8%*	*3.4%*	*1.2%*	*-0.9%*	*2.7%*
PERSONAL INCOME - CURR $										
Idaho (Millions)	9,939	10,681	11,264	11,549	12,081	12,920	14,203	15,528	16,267	17,700
% Ch	*8.1%*	*7.5%*	*5.5%*	*2.5%*	*4.6%*	*6.9%*	*9.9%*	*9.3%*	*4.8%*	*8.8%*
Idaho Nonfarm (Millions)	9,350	10,178	10,803	11,073	11,495	12,285	13,344	14,551	15,465	16,892
% Ch	*6.1%*	*8.9%*	*6.1%*	*2.5%*	*3.8%*	*6.9%*	*8.6%*	*9.0%*	*6.3%*	*9.2%*
National (Billions)	2,894	3,211	3,441	3,640	3,878	4,179	4,496	4,796	4,966	5,256
% Ch	*6.3%*	*11.0%*	*7.1%*	*5.8%*	*6.5%*	*7.8%*	*7.6%*	*6.7%*	*3.5%*	*5.8%*
PERSONAL INCOME - 1992 $										
Idaho (Millions)	14,104	14,602	14,853	14,807	14,921	15,321	16,058	16,713	16,800	17,698
% Ch	*3.4%*	*3.5%*	*1.7%*	*-0.3%*	*0.8%*	*2.7%*	*4.8%*	*4.1%*	*0.5%*	*5.3%*
Idaho Nonfarm (Millions)	13,268	13,914	14,245	14,196	14,197	14,568	15,087	15,660	15,972	16,891
% Ch	*1.5%*	*4.9%*	*2.4%*	*-0.3%*	*0.0%*	*2.6%*	*3.6%*	*3.8%*	*2.0%*	*5.8%*
National (Billions)	4,108	4,391	4,537	4,666	4,790	4,956	5,084	5,162	5,129	5,256
% Ch	*1.6%*	*6.9%*	*3.3%*	*2.8%*	*2.6%*	*3.5%*	*2.6%*	*1.5%*	*-0.6%*	*2.5%*
PER CAPITA PERS INC - CURR $										
Idaho	10,118	10,772	11,334	11,660	12,246	13,071	14,250	15,363	15,679	16,569
% Ch	*7.1%*	*6.5%*	*5.2%*	*2.9%*	*5.0%*	*6.7%*	*9.0%*	*7.8%*	*2.1%*	*5.7%*
National	12,340	13,572	14,412	15,107	15,952	17,035	18,154	19,163	19,628	20,553
% Ch	*5.3%*	*10.0%*	*6.2%*	*4.8%*	*5.6%*	*6.8%*	*6.6%*	*5.6%*	*2.4%*	*4.7%*
PER CAPITA PERS INC - 1992 $										
Idaho	14,359	14,726	14,946	14,949	15,125	15,500	16,112	16,536	16,194	16,569
% Ch	*2.5%*	*2.6%*	*1.5%*	*0.0%*	*1.2%*	*2.5%*	*3.9%*	*2.6%*	*-2.1%*	*2.3%*
National	17,514	18,555	19,006	19,369	19,704	20,204	20,527	20,624	20,274	20,553
% Ch	*0.7%*	*5.9%*	*2.4%*	*1.9%*	*1.7%*	*2.5%*	*1.6%*	*0.5%*	*-1.7%*	*1.4%*
AVERAGE ANNUAL WAGE										
Idaho	15,466	16,058	16,646	17,182	17,620	18,331	18,891	19,755	20,549	21,472
% Ch	*4.4%*	*3.8%*	*3.7%*	*3.2%*	*2.5%*	*4.0%*	*3.1%*	*4.6%*	*4.0%*	*4.5%*
National	18,695	19,650	20,494	21,305	22,292	23,323	24,083	25,205	26,120	27,501
% Ch	*5.0%*	*5.1%*	*4.3%*	*4.0%*	*4.6%*	*4.6%*	*3.3%*	*4.7%*	*3.6%*	*5.3%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

OUTPUT, INCOME, & WAGES

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
GROSS DOM. PRODUCT (Billions)										
Current Dollars	6,558.1	6,947.0	7,269.6	7,661.6	8,110.9	8,511.0	8,946.6	9,245.9	9,605.1	10,044.0
% Ch	*5.0%*	*5.9%*	*4.6%*	*5.4%*	*5.9%*	*4.9%*	*5.1%*	*3.3%*	*3.9%*	*4.6%*
1992 Chain-Weighted	6,389.5	6,610.7	6,761.7	6,994.8	7,269.8	7,551.9	7,844.7	7,998.5	8,169.7	8,383.5
% Ch	*2.3%*	*3.5%*	*2.3%*	*3.4%*	*3.9%*	*3.9%*	*3.9%*	*2.0%*	*2.1%*	*2.6%*
PERSONAL INCOME - CURR $										
Idaho (Millions)	19,475	20,628	22,062	23,418	24,651	25,902	27,384	28,703	30,079	31,625
% Ch	*10.0%*	*5.9%*	*7.0%*	*6.1%*	*5.3%*	*5.1%*	*5.7%*	*4.8%*	*4.8%*	*5.1%*
Idaho Nonfarm (Millions)	18,339	19,979	21,371	22,644	23,958	25,255	26,687	27,998	29,354	30,871
% Ch	*8.6%*	*8.9%*	*7.0%*	*6.0%*	*5.8%*	*5.4%*	*5.7%*	*4.9%*	*4.8%*	*5.2%*
National (Billions)	5,481	5,758	6,072	6,425	6,784	7,126	7,482	7,806	8,125	8,486
% Ch	*4.3%*	*5.1%*	*5.5%*	*5.8%*	*5.6%*	*5.0%*	*5.0%*	*4.3%*	*4.1%*	*4.5%*
PERSONAL INCOME - 1992 $										
Idaho (Millions)	18,967	19,615	20,509	21,336	22,047	22,981	23,962	24,690	25,349	26,071
% Ch	*7.2%*	*3.4%*	*4.6%*	*4.0%*	*3.3%*	*4.2%*	*4.3%*	*3.0%*	*2.7%*	*2.8%*
Idaho Nonfarm (Millions)	17,861	18,998	19,867	20,631	21,427	22,407	23,351	24,083	24,738	25,449
% Ch	*5.7%*	*6.4%*	*4.6%*	*3.8%*	*3.9%*	*4.6%*	*4.2%*	*3.1%*	*2.7%*	*2.9%*
National (Billions)	5,339	5,476	5,645	5,854	6,068	6,323	6,547	6,718	6,848	6,997
% Ch	*1.6%*	*2.6%*	*3.1%*	*3.7%*	*3.6%*	*4.2%*	*3.5%*	*2.6%*	*1.9%*	*2.2%*
PER CAPITA PERS INC - CURR $										
Idaho	17,727	18,236	19,018	19,732	20,355	21,040	21,890	22,587	23,318	24,173
% Ch	*7.0%*	*2.9%*	*4.3%*	*3.8%*	*3.2%*	*3.4%*	*4.0%*	*3.2%*	*3.2%*	*3.7%*
National	21,212	22,069	23,058	24,177	25,295	26,337	27,415	28,365	29,279	30,333
% Ch	*3.2%*	*4.0%*	*4.5%*	*4.9%*	*4.6%*	*4.1%*	*4.1%*	*3.5%*	*3.2%*	*3.6%*
PER CAPITA PERS INC - 1992 $										
Idaho	17,266	17,342	17,681	17,979	18,206	18,668	19,154	19,429	19,652	19,928
% Ch	*4.2%*	*0.4%*	*2.0%*	*1.7%*	*1.3%*	*2.5%*	*2.6%*	*1.4%*	*1.1%*	*1.4%*
National	20,661	20,988	21,437	22,029	22,624	23,369	23,990	24,410	24,679	25,011
% Ch	*0.5%*	*1.6%*	*2.1%*	*2.8%*	*2.7%*	*3.3%*	*2.7%*	*1.7%*	*1.1%*	*1.3%*
AVERAGE ANNUAL WAGE										
Idaho	21,980	22,747	23,626	24,105	24,797	25,789	26,739	27,704	28,703	29,672
% Ch	*2.4%*	*3.5%*	*3.9%*	*2.0%*	*2.9%*	*4.0%*	*3.7%*	*3.6%*	*3.6%*	*3.4%*
National	27,912	28,394	29,257	30,363	31,708	32,983	34,300	35,545	36,744	37,983
% Ch	*1.5%*	*1.7%*	*3.0%*	*3.8%*	*4.4%*	*4.0%*	*4.0%*	*3.6%*	*3.4%*	*3.4%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

PERSONAL INCOME -- CURR $$

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	5,203	5,587	5,883	5,930	6,172	6,701	7,247	7,969	8,531	9,309
% Ch	*6.1%*	*7.4%*	*5.3%*	*0.8%*	*4.1%*	*8.6%*	*8.2%*	*10.0%*	*7.0%*	*9.1%*
National (Billions)	1,685	1,855	1,996	2,117	2,273	2,454	2,598	2,757	2,828	2,986
% Ch	*5.7%*	*10.1%*	*7.6%*	*6.0%*	*7.4%*	*8.0%*	*5.9%*	*6.1%*	*2.5%*	*5.6%*
FARM PROPRIETORS INCOME										
Idaho (Millions)	431	349	306	333	445	473	685	774	604	606
% Ch	*94.8%*	*-19.0%*	*-12.1%*	*8.8%*	*33.5%*	*6.4%*	*44.8%*	*13.0%*	*-22.0%*	*0.4%*
National (Billions)	4	23	24	24	32	27	36	35	29	37
% Ch	*-71.5%*	*462.4%*	*1.8%*	*2.6%*	*30.4%*	*-12.9%*	*32.1%*	*-2.3%*	*-17.4%*	*26.7%*
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	842	1,045	1,123	1,166	1,251	1,353	1,457	1,530	1,478	1,775
% Ch	*15.9%*	*24.1%*	*7.5%*	*3.9%*	*7.2%*	*8.2%*	*7.6%*	*5.0%*	*-3.4%*	*20.2%*
National (Billions)	188	226	245	255	274	308	321	339	347	387
% Ch	*13.7%*	*20.1%*	*8.6%*	*4.2%*	*7.2%*	*12.5%*	*4.3%*	*5.4%*	*2.5%*	*11.4%*
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	1,788	1,990	2,096	2,161	2,179	2,252	2,505	2,680	2,773	2,814
% Ch	*0.6%*	*11.3%*	*5.3%*	*3.1%*	*0.8%*	*3.3%*	*11.2%*	*7.0%*	*3.5%*	*1.5%*
National (Billions)	520	598	636	671	695	755	853	900	905	884
% Ch	*6.3%*	*14.9%*	*6.4%*	*5.5%*	*3.6%*	*8.6%*	*12.9%*	*5.6%*	*0.5%*	*-2.3%*
OTHER LABOR INCOME										
Idaho (Millions)	510	542	579	588	634	679	755	867	964	1,088
% Ch	*9.6%*	*6.3%*	*6.8%*	*1.6%*	*7.8%*	*7.1%*	*11.3%*	*14.8%*	*11.2%*	*12.8%*
National (Billions)	177	189	203	216	235	252	273	301	323	351
% Ch	*7.2%*	*6.6%*	*7.5%*	*6.3%*	*9.0%*	*6.9%*	*8.5%*	*10.1%*	*7.4%*	*8.9%*
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	1,506	1,534	1,681	1,778	1,820	1,940	2,086	2,278	2,539	2,790
% Ch	*6.1%*	*1.8%*	*9.6%*	*5.8%*	*2.3%*	*6.6%*	*7.5%*	*9.2%*	*11.5%*	*9.9%*
National (Billions)	439	454	487	519	543	578	626	688	770	858
% Ch	*7.7%*	*3.2%*	*7.3%*	*6.6%*	*4.8%*	*6.3%*	*8.4%*	*9.9%*	*11.9%*	*11.5%*
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	398	434	480	499	519	593	661	719	787	850
% Ch	*6.6%*	*9.1%*	*10.4%*	*4.0%*	*4.0%*	*14.3%*	*11.6%*	*8.8%*	*9.4%*	*8.0%*
National (Billions)	120	133	149	162	174	194	211	224	236	248
% Ch	*6.6%*	*10.9%*	*12.3%*	*8.8%*	*7.1%*	*11.8%*	*8.6%*	*6.2%*	*5.3%*	*5.3%*
RESIDENCE ADJUSTMENT										
Idaho (Millions)	58	70	76	92	101	116	130	150	165	167
% Ch	*-2.5%*	*20.8%*	*9.3%*	*20.3%*	*9.8%*	*15.4%*	*11.8%*	*15.6%*	*10.0%*	*1.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

PERSONAL INCOME -- CURR $$

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	9,994	10,926	11,742	12,336	13,116	13,995	14,913	15,803	16,668	17,564
% Ch	*7.4%*	*9.3%*	*7.5%*	*5.1%*	*6.3%*	*6.7%*	*6.6%*	*6.0%*	*5.5%*	*5.4%*
National (Billions)	3,090	3,241	3,429	3,631	3,890	4,150	4,407	4,638	4,845	5,063
% Ch	*3.5%*	*4.9%*	*5.8%*	*5.9%*	*7.1%*	*6.7%*	*6.2%*	*5.2%*	*4.5%*	*4.5%*
FARM PROPRIETORS INCOME										
Idaho (Millions)	914	365	379	463	354	266	291	291	299	313
% Ch	*50.7%*	*-60.0%*	*3.7%*	*22.3%*	*-23.7%*	*-24.8%*	*9.5%*	*0.0%*	*2.6%*	*5.0%*
National (Billions)	32	37	22	39	35	29	24	23	25	27
% Ch	*-12.7%*	*13.9%*	*-39.2%*	*73.5%*	*-8.8%*	*-19.0%*	*-15.8%*	*-5.3%*	*8.5%*	*8.4%*
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	2,071	2,307	2,408	2,519	2,704	2,888	3,118	3,206	3,318	3,481
% Ch	*16.7%*	*11.4%*	*4.4%*	*4.6%*	*7.3%*	*6.8%*	*8.0%*	*2.8%*	*3.5%*	*4.9%*
National (Billions)	418	435	466	489	516	548	587	603	623	652
% Ch	*8.2%*	*3.9%*	*7.1%*	*5.0%*	*5.5%*	*6.3%*	*7.0%*	*2.7%*	*3.4%*	*4.7%*
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	3,007	3,303	3,583	3,920	4,166	4,295	4,443	4,532	4,650	4,819
% Ch	*6.9%*	*9.8%*	*8.5%*	*9.4%*	*6.3%*	*3.1%*	*3.4%*	*2.0%*	*2.6%*	*3.6%*
National (Billions)	904	964	1,031	1,118	1,166	1,191	1,221	1,241	1,267	1,306
% Ch	*2.2%*	*6.6%*	*7.1%*	*8.4%*	*4.3%*	*2.1%*	*2.5%*	*1.7%*	*2.1%*	*3.1%*
OTHER LABOR INCOME										
Idaho (Millions)	1,218	1,361	1,365	1,322	1,329	1,366	1,422	1,504	1,584	1,665
% Ch	*12.0%*	*11.7%*	*0.3%*	*-3.1%*	*0.5%*	*2.8%*	*4.1%*	*5.8%*	*5.3%*	*5.2%*
National (Billions)	385	405	402	387	393	407	422	443	461	480
% Ch	*9.6%*	*5.2%*	*-0.8%*	*-3.7%*	*1.5%*	*3.6%*	*3.8%*	*4.9%*	*4.1%*	*4.1%*
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	3,038	3,222	3,510	3,814	3,991	4,154	4,330	4,556	4,814	5,102
% Ch	*8.9%*	*6.0%*	*8.9%*	*8.7%*	*4.6%*	*4.1%*	*4.2%*	*5.2%*	*5.7%*	*6.0%*
National (Billions)	912	955	1,016	1,068	1,110	1,149	1,191	1,245	1,308	1,380
% Ch	*6.3%*	*4.7%*	*6.4%*	*5.1%*	*4.0%*	*3.5%*	*3.6%*	*4.6%*	*5.1%*	*5.5%*
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	919	1,017	1,109	1,169	1,257	1,336	1,424	1,499	1,582	1,667
% Ch	*8.2%*	*10.6%*	*9.1%*	*5.4%*	*7.5%*	*6.3%*	*6.6%*	*5.3%*	*5.5%*	*5.4%*
National (Billions)	260	277	294	306	326	347	370	386	404	422
% Ch	*4.8%*	*6.6%*	*5.8%*	*4.3%*	*6.5%*	*6.5%*	*6.4%*	*4.6%*	*4.5%*	*4.5%*
RESIDENCE ADJUSTMENT										
Idaho (Millions)	151	161	185	212	248	274	291	309	328	346
% Ch	*-9.9%*	*6.6%*	*15.1%*	*14.7%*	*17.0%*	*10.3%*	*6.1%*	*6.5%*	*5.9%*	*5.8%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

EMPLOYMENT

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
TOTAL NONFARM EMPLOYMENT										
Idaho	317,838	330,206	335,909	328,271	333,449	348,268	366,016	385,332	398,118	416,606
% Ch	*1.8%*	*3.9%*	*1.7%*	*-2.3%*	*1.6%*	*4.4%*	*5.1%*	*5.3%*	*3.3%*	*4.6%*
National (Thousands)	90,145	94,404	97,387	99,344	101,953	105,202	107,883	109,404	108,255	108,591
% Ch	*0.7%*	*4.7%*	*3.2%*	*2.0%*	*2.6%*	*3.2%*	*2.5%*	*1.4%*	*-1.1%*	*0.3%*
GOODS PRODUCING SECTOR										
Idaho	67,427	73,326	73,580	69,608	70,345	75,624	80,312	85,478	86,521	90,495
% Ch	*3.0%*	*8.7%*	*0.3%*	*-5.4%*	*1.1%*	*7.5%*	*6.2%*	*6.4%*	*1.2%*	*4.6%*
National (Thousands)	23,329	24,718	24,843	24,536	24,673	25,123	25,253	24,909	23,749	23,232
% Ch	*-2.1%*	*6.0%*	*0.5%*	*-1.2%*	*0.6%*	*1.8%*	*0.5%*	*-1.4%*	*-4.7%*	*-2.2%*
MANUFACTURING										
Idaho	50,247	54,602	54,660	52,103	54,056	58,139	60,572	62,888	63,219	65,751
% Ch	*5.1%*	*8.7%*	*0.1%*	*-4.7%*	*3.7%*	*7.6%*	*4.2%*	*3.8%*	*0.5%*	*4.0%*
National (Thousands)	18,433	19,375	19,250	18,948	18,998	19,315	19,391	19,075	18,405	18,106
% Ch	*-1.9%*	*5.1%*	*-0.6%*	*-1.6%*	*0.3%*	*1.7%*	*0.4%*	*-1.6%*	*-3.5%*	*-1.6%*
DURABLE MANUFACTURING										
Idaho	25,423	27,566	26,759	25,524	26,831	29,560	32,176	34,065	33,144	34,793
% Ch	*10.7%*	*8.4%*	*-2.9%*	*-4.6%*	*5.1%*	*10.2%*	*8.9%*	*5.9%*	*-2.7%*	*5.0%*
National (Thousands)	10,707	11,477	11,458	11,195	11,154	11,363	11,394	11,107	10,568	10,279
% Ch	*-2.8%*	*7.2%*	*-0.2%*	*-2.3%*	*-0.4%*	*1.9%*	*0.3%*	*-2.5%*	*-4.9%*	*-2.7%*
LUMBER & WOOD PRODUCTS										
Idaho	13,868	14,213	13,506	13,240	13,379	13,984	14,747	14,897	13,470	14,004
% Ch	*14.1%*	*2.5%*	*-5.0%*	*-2.0%*	*1.1%*	*4.5%*	*5.5%*	*1.0%*	*-9.6%*	*4.0%*
National (Thousands)	670	718	711	724	754	768	757	733	675	680
% Ch	*9.8%*	*7.1%*	*-0.9%*	*1.8%*	*4.1%*	*1.8%*	*-1.4%*	*-3.1%*	*-7.9%*	*0.7%*
STONE, CLAY, GLASS, etc.										
Idaho	2,679	2,785	2,783	2,761	2,804	2,878	3,276	3,387	3,291	3,199
% Ch	*2.3%*	*4.0%*	*-0.1%*	*-0.8%*	*1.6%*	*2.7%*	*13.8%*	*3.4%*	*-2.8%*	*-2.8%*
National (Thousands)	1,909	2,023	2,021	1,977	1,954	1,996	2,014	1,975	1,877	1,843
% Ch	*-3.2%*	*6.0%*	*-0.1%*	*-2.2%*	*-1.2%*	*2.2%*	*0.9%*	*-1.9%*	*-5.0%*	*-1.8%*
ELEC & NONELEC MACH										
Idaho	7,408	8,765	8,528	7,652	8,422	9,577	11,096	12,596	13,197	14,476
% Ch	*9.2%*	*18.3%*	*-2.7%*	*-10.3%*	*10.1%*	*13.7%*	*15.9%*	*13.5%*	*4.8%*	*9.7%*
National (Thousands)	3,757	4,087	4,054	3,864	3,777	3,853	3,869	3,768	3,591	3,457
% Ch	*-5.3%*	*8.8%*	*-0.8%*	*-4.7%*	*-2.2%*	*2.0%*	*0.4%*	*-2.6%*	*-4.7%*	*-3.7%*
OTHER DURABLES										
Idaho	1,467	1,803	1,941	1,871	2,226	3,121	3,057	3,185	3,186	3,115
% Ch	*4.4%*	*22.9%*	*7.7%*	*-3.6%*	*19.0%*	*40.2%*	*-2.0%*	*4.2%*	*0.0%*	*-2.2%*
National (Thousands)	4,371	4,649	4,672	4,631	4,669	4,747	4,755	4,632	4,426	4,299
% Ch	*-2.2%*	*6.4%*	*0.5%*	*-0.9%*	*0.8%*	*1.7%*	*0.2%*	*-2.6%*	*-4.4%*	*-2.9%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

EMPLOYMENT

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
TOTAL NONFARM EMPLOYMENT										
Idaho	436,736	461,167	477,392	492,591	508,788	521,589	536,480	549,365	559,744	571,041
% Ch	*4.8%*	*5.6%*	*3.5%*	*3.2%*	*3.3%*	*2.5%*	*2.9%*	*2.4%*	*1.9%*	*2.0%*
National (Thousands)	110,692	114,131	117,187	119,590	122,677	125,817	128,490	130,486	131,853	133,299
% Ch	*1.9%*	*3.1%*	*2.7%*	*2.1%*	*2.6%*	*2.6%*	*2.1%*	*1.6%*	*1.0%*	*1.1%*
GOODS PRODUCING SECTOR										
Idaho	96,081	103,289	103,402	106,562	109,907	111,250	111,802	113,044	114,908	116,889
% Ch	*6.2%*	*7.5%*	*0.1%*	*3.1%*	*3.1%*	*1.2%*	*0.5%*	*1.1%*	*1.6%*	*1.7%*
National (Thousands)	23,351	23,904	24,275	24,492	24,935	25,260	25,115	24,665	24,421	24,272
% Ch	*0.5%*	*2.4%*	*1.6%*	*0.9%*	*1.8%*	*1.3%*	*-0.6%*	*-1.8%*	*-1.0%*	*-0.6%*
MANUFACTURING										
Idaho	69,250	71,887	71,044	72,905	74,611	76,120	76,205	77,193	78,855	80,859
% Ch	*5.3%*	*3.8%*	*-1.2%*	*2.6%*	*2.3%*	*2.0%*	*0.1%*	*1.3%*	*2.2%*	*2.5%*
National (Thousands)	18,076	18,322	18,526	18,496	18,658	18,719	18,366	18,022	17,918	17,814
% Ch	*-0.2%*	*1.4%*	*1.1%*	*-0.2%*	*0.9%*	*0.3%*	*-1.9%*	*-1.9%*	*-0.6%*	*-0.6%*
DURABLE MANUFACTURING										
Idaho	37,497	40,636	42,132	44,070	45,536	47,175	46,992	47,563	48,703	50,254
% Ch	*7.8%*	*8.4%*	*3.7%*	*4.6%*	*3.3%*	*3.6%*	*-0.4%*	*1.2%*	*2.4%*	*3.2%*
National (Thousands)	10,222	10,447	10,684	10,789	10,987	11,100	10,881	10,695	10,664	10,642
% Ch	*-0.6%*	*2.2%*	*2.3%*	*1.0%*	*1.8%*	*1.0%*	*-2.0%*	*-1.7%*	*-0.3%*	*-0.2%*
LUMBER & WOOD PRODUCTS										
Idaho	14,409	15,522	14,796	14,445	14,241	13,734	13,570	13,153	12,786	12,571
% Ch	*2.9%*	*7.7%*	*-4.7%*	*-2.4%*	*-1.4%*	*-3.6%*	*-1.2%*	*-3.1%*	*-2.8%*	*-1.7%*
National (Thousands)	709	754	770	778	793	804	814	802	791	789
% Ch	*4.3%*	*6.3%*	*2.0%*	*1.1%*	*1.9%*	*1.3%*	*1.3%*	*-1.5%*	*-1.3%*	*-0.3%*
STONE, CLAY, GLASS, etc.										
Idaho	3,364	3,853	4,220	4,340	4,415	4,336	4,451	4,432	4,456	4,479
% Ch	*5.2%*	*14.5%*	*9.5%*	*2.8%*	*1.7%*	*-1.8%*	*2.7%*	*-0.4%*	*0.5%*	*0.5%*
National (Thousands)	1,856	1,920	1,977	1,992	2,028	2,052	2,041	2,011	2,002	1,997
% Ch	*0.7%*	*3.4%*	*3.0%*	*0.8%*	*1.8%*	*1.2%*	*-0.6%*	*-1.5%*	*-0.4%*	*-0.3%*
ELEC & NONELEC MACH										
Idaho	16,271	17,114	18,192	20,266	21,584	23,308	23,011	24,149	25,642	27,169
% Ch	*12.4%*	*5.2%*	*6.3%*	*11.4%*	*6.5%*	*8.0%*	*-1.3%*	*4.9%*	*6.2%*	*6.0%*
National (Thousands)	3,456	3,560	3,692	3,775	3,852	3,890	3,762	3,728	3,790	3,831
% Ch	*0.0%*	*3.0%*	*3.7%*	*2.3%*	*2.0%*	*1.0%*	*-3.3%*	*-0.9%*	*1.7%*	*1.1%*
OTHER DURABLES										
Idaho	3,454	4,147	4,923	5,018	5,297	5,798	5,960	5,828	5,820	6,036
% Ch	*10.9%*	*20.1%*	*18.7%*	*1.9%*	*5.6%*	*9.5%*	*2.8%*	*-2.2%*	*-0.2%*	*3.7%*
National (Thousands)	4,200	4,214	4,246	4,243	4,315	4,354	4,264	4,155	4,081	4,024
% Ch	*-2.3%*	*0.3%*	*0.8%*	*-0.1%*	*1.7%*	*0.9%*	*-2.1%*	*-2.6%*	*-1.8%*	*-1.4%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

EMPLOYMENT

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	24,825	27,036	27,901	26,579	27,225	28,579	28,396	28,824	30,075	30,958
% Ch	*-0.1%*	*8.9%*	*3.2%*	*-4.7%*	*2.4%*	*5.0%*	*-0.6%*	*1.5%*	*4.3%*	*2.9%*
National (Thousands)	7,727	7,898	7,791	7,753	7,845	7,952	7,997	7,968	7,837	7,827
% Ch	*-0.5%*	*2.2%*	*-1.3%*	*-0.5%*	*1.2%*	*1.4%*	*0.6%*	*-0.4%*	*-1.6%*	*-0.1%*
FOOD PROCESSING										
Idaho	16,268	16,622	16,580	15,412	16,099	17,336	16,984	16,805	17,487	17,818
% Ch	*-1.9%*	*2.2%*	*-0.3%*	*-7.0%*	*4.5%*	*7.7%*	*-2.0%*	*-1.1%*	*4.1%*	*1.9%*
National (Thousands)	*1,615*	*1,612*	*1,601*	*1,607*	*1,617*	*1,626*	*1,645*	*1,661*	*1,667*	*1,662*
% Ch	*-1.3%*	*-0.2%*	*-0.7%*	*0.4%*	*0.6%*	*0.6%*	*1.1%*	*1.0%*	*0.4%*	*-0.3%*
CANNED, CURED, & FROZEN										
Idaho	10,388	10,741	10,942	9,867	10,612	11,331	11,225	11,065	11,747	12,094
% Ch	*0.5%*	*3.4%*	*1.9%*	*-9.8%*	*7.5%*	*6.8%*	*-0.9%*	*-1.4%*	*6.2%*	*3.0%*
OTHER FOOD PROCESSING										
Idaho	5,880	5,881	5,638	5,544	5,487	6,004	5,759	5,740	5,740	5,724
% Ch	*-5.7%*	*0.0%*	*-4.1%*	*-1.7%*	*-1.0%*	*9.4%*	*-4.1%*	*-0.3%*	*0.0%*	*-0.3%*
PAPER, PRINTING, PUBLISH.										
Idaho	5,007	5,474	5,984	5,946	6,067	6,373	6,592	6,976	7,179	7,172
% Ch	*6.5%*	*9.3%*	*9.3%*	*-0.6%*	*2.0%*	*5.0%*	*3.4%*	*5.8%*	*2.9%*	*-0.1%*
National (Thousands)	1,952	2,049	2,097	2,123	2,177	2,232	2,251	2,266	2,223	2,197
% Ch	*1.3%*	*5.0%*	*2.3%*	*1.2%*	*2.5%*	*2.5%*	*0.9%*	*0.6%*	*-1.9%*	*-1.2%*
CHEMICALS										
Idaho	2,151	3,500	3,573	3,335	3,273	3,536	3,523	3,554	3,903	4,277
% Ch	*-6.6%*	*62.7%*	*2.1%*	*-6.6%*	*-1.9%*	*8.0%*	*-0.3%*	*0.9%*	*9.8%*	*9.6%*
National (Thousands)	1,043	1,049	1,044	1,021	1,025	1,057	1,074	1,086	1,076	1,084
% Ch	*-3.0%*	*0.6%*	*-0.5%*	*-2.2%*	*0.4%*	*3.2%*	*1.6%*	*1.1%*	*-0.9%*	*0.8%*
OTHER NONDURABLES										
Idaho	1,399	1,440	1,765	1,886	1,786	1,335	1,297	1,488	1,505	1,690
% Ch	*9.1%*	*2.9%*	*22.6%*	*6.9%*	*-5.3%*	*-25.3%*	*-2.8%*	*14.8%*	*1.1%*	*12.3%*
National (Thousands)	3,117	3,188	3,049	3,002	3,026	3,037	3,027	2,955	2,871	2,883
% Ch	*-0.4%*	*2.3%*	*-4.3%*	*-1.6%*	*0.8%*	*0.3%*	*-0.3%*	*-2.4%*	*-2.9%*	*0.4%*
MINING										
Idaho	4,047	4,177	3,852	2,893	2,568	3,280	3,673	3,873	3,086	2,605
%Ch	*5.9%*	*3.2%*	*-7.8%*	*-24.9%*	*-11.2%*	*27.7%*	*12.0%*	*5.5%*	*-20.3%*	*-15.6%*
National (Thousands)	952	965	927	777	717	712	691	709	689	634
%Ch	*-15.6%*	*1.4%*	*-4.0%*	*-16.1%*	*-7.7%*	*-0.7%*	*-3.0%*	*2.6%*	*-2.8%*	*-8.0%*
METAL MINING										
Idaho	2,636	2,803	2,599	1,919	1,595	2,140	2,612	2,754	1,994	1,453
%Ch	*4.0%*	*6.3%*	*-7.3%*	*-26.2%*	*-16.9%*	*34.2%*	*22.0%*	*5.5%*	*-27.6%*	*-27.1%*
OTHER MINING										
Idaho	1,411	1,373	1,253	973	973	1,140	1,061	1,119	1,092	1,152
% Ch	*9.6%*	*-2.7%*	*-8.8%*	*-22.3%*	*0.0%*	*17.2%*	*-6.9%*	*5.4%*	*-2.4%*	*5.5%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

EMPLOYMENT

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	31,754	31,251	28,912	28,835	29,074	28,944	29,213	29,630	30,152	30,604
% Ch	*2.6%*	*-1.6%*	*-7.5%*	*-0.3%*	*0.8%*	*-0.4%*	*0.9%*	*1.4%*	*1.8%*	*1.5%*
National (Thousands)	7,854	7,875	7,842	7,707	7,671	7,619	7,485	7,327	7,254	7,172
% Ch	*0.4%*	*0.3%*	*-0.4%*	*-1.7%*	*-0.5%*	*-0.7%*	*-1.8%*	*-2.1%*	*-1.0%*	*-1.1%*
FOOD PROCESSING										
Idaho	18,564	18,019	17,504	17,463	17,657	17,286	17,468	17,622	17,877	17,968
% Ch	*4.2%*	*-2.9%*	*-2.9%*	*-0.2%*	*1.1%*	*-2.1%*	*1.1%*	*0.9%*	*1.4%*	*0.5%*
National (Thousands)	*1,680*	*1,679*	*1,693*	*1,693*	*1,691*	*1,704*	*1,715*	*1,710*	*1,716*	*1,713*
% Ch	*1.1%*	*-0.1%*	*0.8%*	*0.0%*	*-0.1%*	*0.8%*	*0.6%*	*-0.3%*	*0.3%*	*-0.2%*
CANNED, CURED, & FROZEN										
Idaho	12,531	11,705	10,864	10,679	10,551	9,995	10,027	10,072	10,300	10,346
% Ch	*3.6%*	*-6.6%*	*-7.2%*	*-1.7%*	*-1.2%*	*-5.3%*	*0.3%*	*0.4%*	*2.3%*	*0.5%*
OTHER FOOD PROCESSING										
Idaho	6,033	6,314	6,641	6,784	7,106	7,291	7,441	7,551	7,577	7,622
% Ch	*5.4%*	*4.7%*	*5.2%*	*2.2%*	*4.7%*	*2.6%*	*2.1%*	*1.5%*	*0.3%*	*0.6%*
PAPER, PRINTING, PUBLISH.										
Idaho	7,145	7,090	7,119	7,192	7,216	7,441	7,470	7,560	7,615	7,756
% Ch	*-0.4%*	*-0.8%*	*0.4%*	*1.0%*	*0.3%*	*3.1%*	*0.4%*	*1.2%*	*0.7%*	*1.8%*
National (Thousands)	2,209	2,230	2,238	2,224	2,238	2,248	2,228	2,203	2,186	2,167
% Ch	*0.5%*	*0.9%*	*0.4%*	*-0.7%*	*0.6%*	*0.5%*	*-0.9%*	*-1.1%*	*-0.7%*	*-0.9%*
CHEMICALS										
Idaho	4,250	4,135	2,345	2,333	2,285	2,357	2,458	2,592	2,761	2,933
% Ch	*-0.6%*	*-2.7%*	*-43.3%*	*-0.5%*	*-2.1%*	*3.2%*	*4.3%*	*5.5%*	*6.5%*	*6.2%*
National (Thousands)	1,081	1,057	1,038	1,034	1,034	1,036	1,031	1,021	1,024	1,024
% Ch	*-0.3%*	*-2.2%*	*-1.8%*	*-0.4%*	*0.0%*	*0.2%*	*-0.5%*	*-0.9%*	*0.3%*	*0.0%*
OTHER NONDURABLES										
Idaho	1,795	2,008	1,943	1,847	1,916	1,860	1,818	1,856	1,899	1,948
% Ch	*6.2%*	*11.9%*	*-3.2%*	*-4.9%*	*3.7%*	*-2.9%*	*-2.3%*	*2.1%*	*2.3%*	*2.6%*
National (Thousands)	2,885	2,910	2,872	2,757	2,708	2,631	2,511	2,393	2,328	2,269
% Ch	*0.1%*	*0.9%*	*-1.3%*	*-4.0%*	*-1.8%*	*-2.9%*	*-4.5%*	*-4.7%*	*-2.7%*	*-2.5%*
MINING										
Idaho	2,199	2,419	2,726	3,062	3,098	2,903	2,676	2,625	2,561	2,524
%Ch	*-15.6%*	*10.0%*	*12.7%*	*12.3%*	*1.2%*	*-6.3%*	*-7.8%*	*-1.9%*	*-2.4%*	*-1.4%*
National (Thousands)	609	600	581	580	592	575	536	540	518	490
%Ch	*-3.9%*	*-1.5%*	*-3.3%*	*-0.2%*	*2.0%*	*-2.8%*	*-6.7%*	*0.7%*	*-4.1%*	*-5.3%*
METAL MINING										
Idaho	1,007	1,211	1,593	1,848	1,843	1,692	1,536	1,548	1,528	1,533
%Ch	*-30.7%*	*20.2%*	*31.6%*	*16.0%*	*-0.3%*	*-8.2%*	*-9.2%*	*0.7%*	*-1.3%*	*0.3%*
OTHER MINING										
Idaho	1,192	1,208	1,133	1,215	1,256	1,210	1,140	1,077	1,033	991
% Ch	*3.5%*	*1.4%*	*-6.2%*	*7.2%*	*3.4%*	*-3.6%*	*-5.8%*	*-5.5%*	*-4.1%*	*-4.0%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

EMPLOYMENT

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	13,132	14,547	15,067	14,612	13,721	14,205	16,067	18,716	20,216	22,139
% Ch	*-5.0%*	*10.8%*	*3.6%*	*-3.0%*	*-6.1%*	*3.5%*	*13.1%*	*16.5%*	*8.0%*	*9.5%*
National (Thousands)	3,943	4,378	4,667	4,810	4,958	5,096	5,171	5,125	4,655	4,492
% Ch	*0.9%*	*11.0%*	*6.6%*	*3.1%*	*3.1%*	*2.8%*	*1.5%*	*-0.9%*	*-9.2%*	*-3.5%*
SERVICE PRODUCING SECTOR										
Idaho	250,411	256,880	262,330	258,663	263,104	272,644	285,704	299,854	311,597	326,111
% Ch	*1.5%*	*2.6%*	*2.1%*	*-1.4%*	*1.7%*	*3.6%*	*4.8%*	*5.0%*	*3.9%*	*4.7%*
National (Thousands)	66,816	69,686	72,544	74,809	77,280	80,079	82,630	84,495	84,506	85,359
% Ch	*1.6%*	*4.3%*	*4.1%*	*3.1%*	*3.3%*	*3.6%*	*3.2%*	*2.3%*	*0.0%*	*1.0%*
FINANCE, INSUR, REAL ESTATE										
Idaho	23,014	23,458	23,671	18,878	19,125	19,270	19,291	19,838	20,626	21,457
% Ch	*1.6%*	*1.9%*	*0.9%*	*-20.2%*	*1.3%*	*0.8%*	*0.1%*	*2.8%*	*4.0%*	*4.0%*
National (Thousands)	5,466	5,684	5,948	6,272	6,533	6,629	6,669	6,709	6,647	6,602
% Ch	*2.4%*	*4.0%*	*4.7%*	*5.4%*	*4.2%*	*1.5%*	*0.6%*	*0.6%*	*-0.9%*	*-0.7%*
TRANS, COMMUN, PUBLIC UTIL										
Idaho	19,110	19,068	19,281	18,282	17,920	18,487	19,257	19,788	20,031	20,342
% Ch	*0.4%*	*-0.2%*	*1.1%*	*-5.2%*	*-2.0%*	*3.2%*	*4.2%*	*2.8%*	*1.2%*	*1.6%*
National (Thousands)	4,952	5,156	5,233	5,247	5,362	5,512	5,614	5,776	5,755	5,718
% Ch	*-2.6%*	*4.1%*	*1.5%*	*0.3%*	*2.2%*	*2.8%*	*1.9%*	*2.9%*	*-0.4%*	*-0.6%*
TRADE										
Idaho	79,362	82,982	84,148	83,886	84,892	87,339	93,122	97,089	100,986	105,894
% Ch	*1.8%*	*4.6%*	*1.4%*	*-0.3%*	*1.2%*	*2.9%*	*6.6%*	*4.3%*	*4.0%*	*4.9%*
National (Thousands)	20,868	22,078	23,041	23,641	24,269	25,055	25,664	25,774	25,363	25,352
% Ch	*2.0%*	*5.8%*	*4.4%*	*2.6%*	*2.7%*	*3.2%*	*2.4%*	*0.4%*	*-1.6%*	*0.0%*
SERVICES										
Idaho	61,032	62,474	65,060	66,655	67,956	71,913	76,161	81,750	85,621	90,396
% Ch	*3.0%*	*2.4%*	*4.1%*	*2.5%*	*2.0%*	*5.8%*	*5.9%*	*7.3%*	*4.7%*	*5.6%*
National (Thousands)	19,662	20,745	21,927	22,957	24,109	25,500	26,904	27,930	28,335	29,047
% Ch	*3.4%*	*5.5%*	*5.7%*	*4.7%*	*5.0%*	*5.8%*	*5.5%*	*3.8%*	*1.5%*	*2.5%*
STATE & LOCAL GOVERNMENT										
Idaho	55,942	57,146	58,380	59,135	61,123	63,156	65,184	68,334	71,423	74,563
% Ch	*0.3%*	*2.2%*	*2.2%*	*1.3%*	*3.4%*	*3.3%*	*3.2%*	*4.8%*	*4.5%*	*4.4%*
National (Thousands)	13,094	13,216	13,519	13,792	14,065	14,411	14,791	15,220	15,439	15,672
% Ch	*0.0%*	*0.9%*	*2.3%*	*2.0%*	*2.0%*	*2.5%*	*2.6%*	*2.9%*	*1.4%*	*1.5%*
Idaho Education	30,323	31,439	32,317	32,845	33,422	34,572	35,603	37,263	38,840	40,455
% Ch	*-0.7%*	*3.7%*	*2.8%*	*1.6%*	*1.8%*	*3.4%*	*3.0%*	*4.7%*	*4.2%*	*4.2%*
Idaho Other	25,619	25,707	26,064	26,290	27,701	28,583	29,581	31,071	32,583	34,108
% Ch	*1.5%*	*0.3%*	*1.4%*	*0.9%*	*5.4%*	*3.2%*	*3.5%*	*5.0%*	*4.9%*	*4.7%*
FEDERAL GOVERNMENT										
Idaho	11,952	11,751	11,790	11,827	12,088	12,479	12,690	13,057	12,909	13,460
% Ch	*-0.8%*	*-1.7%*	*0.3%*	*0.3%*	*2.2%*	*3.2%*	*1.7%*	*2.9%*	*-1.1%*	*4.3%*
National (Thousands)	2,774	2,807	2,875	2,899	2,943	2,972	2,989	3,086	2,967	2,968
% Ch	*1.3%*	*1.2%*	*2.4%*	*0.8%*	*1.5%*	*1.0%*	*0.6%*	*3.3%*	*-3.9%*	*0.0%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

EMPLOYMENT

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	24,631	28,983	29,633	30,595	32,198	32,227	32,920	33,227	33,492	33,506
% Ch	*11.3%*	*17.7%*	*2.2%*	*3.2%*	*5.2%*	*0.1%*	*2.1%*	*0.9%*	*0.8%*	*0.0%*
National (Thousands)	4,665	4,982	5,169	5,416	5,685	5,966	6,213	6,103	5,986	5,967
% Ch	*3.9%*	*6.8%*	*3.8%*	*4.8%*	*5.0%*	*4.9%*	*4.1%*	*-1.8%*	*-1.9%*	*-0.3%*
SERVICE PRODUCING SECTOR										
Idaho	340,655	357,878	373,990	386,029	398,881	410,340	424,678	436,321	444,837	454,152
% Ch	*4.5%*	*5.1%*	*4.5%*	*3.2%*	*3.3%*	*2.9%*	*3.5%*	*2.7%*	*2.0%*	*2.1%*
National (Thousands)	87,341	90,227	92,912	95,098	97,742	100,557	103,375	105,821	107,432	109,027
% Ch	*2.3%*	*3.3%*	*3.0%*	*2.4%*	*2.8%*	*2.9%*	*2.8%*	*2.4%*	*1.5%*	*1.5%*
FINANCE, INSUR, REAL ESTATE										
Idaho	22,756	24,100	24,969	25,174	25,393	22,926	23,461	23,753	24,050	24,308
% Ch	*6.1%*	*5.9%*	*3.6%*	*0.8%*	*0.9%*	*-9.7%*	*2.3%*	*1.2%*	*1.3%*	*1.1%*
National (Thousands)	6,757	6,894	6,807	6,911	7,090	7,341	7,565	7,709	7,833	7,922
% Ch	*2.3%*	*2.0%*	*-1.3%*	*1.5%*	*2.6%*	*3.5%*	*3.1%*	*1.9%*	*1.6%*	*1.1%*
TRANS, COMMUN, PUBLIC UTIL										
Idaho	20,879	21,876	22,703	23,402	24,243	25,492	26,294	26,795	27,245	27,689
% Ch	*2.6%*	*4.8%*	*3.8%*	*3.1%*	*3.6%*	*5.2%*	*3.1%*	*1.9%*	*1.7%*	*1.6%*
National (Thousands)	5,811	5,984	6,135	6,254	6,395	6,548	6,731	6,862	6,941	7,003
% Ch	*1.6%*	*3.0%*	*2.5%*	*2.0%*	*2.2%*	*2.4%*	*2.8%*	*1.9%*	*1.2%*	*0.9%*
TRADE										
Idaho	109,372	116,691	121,409	125,190	129,011	132,608	136,946	140,634	143,915	147,317
% Ch	*3.3%*	*6.7%*	*4.0%*	*3.1%*	*3.1%*	*2.8%*	*3.3%*	*2.7%*	*2.3%*	*2.4%*
National (Thousands)	25,753	26,664	27,565	28,076	28,656	29,298	29,978	30,430	30,684	30,937
% Ch	*1.6%*	*3.5%*	*3.4%*	*1.9%*	*2.1%*	*2.2%*	*2.3%*	*1.5%*	*0.8%*	*0.8%*
SERVICES										
Idaho	97,222	102,836	110,115	115,993	122,646	128,771	135,247	140,025	144,187	148,461
% Ch	*7.6%*	*5.8%*	*7.1%*	*5.3%*	*5.7%*	*5.0%*	*5.0%*	*3.5%*	*3.0%*	*3.0%*
National (Thousands)	30,193	31,575	33,112	34,454	36,039	37,522	38,879	40,044	41,011	41,864
% Ch	*3.9%*	*4.6%*	*4.9%*	*4.1%*	*4.6%*	*4.1%*	*3.6%*	*3.0%*	*2.4%*	*2.1%*
STATE & LOCAL GOVERNMENT										
Idaho	76,845	78,881	81,682	83,372	84,551	87,744	89,973	91,279	92,424	93,464
% Ch	*3.1%*	*2.6%*	*3.6%*	*2.1%*	*1.4%*	*3.8%*	*2.5%*	*1.5%*	*1.3%*	*1.1%*
National (Thousands)	15,913	16,241	16,472	16,648	16,863	17,162	17,520	17,908	18,244	18,613
% Ch	*1.5%*	*2.1%*	*1.4%*	*1.1%*	*1.3%*	*1.8%*	*2.1%*	*2.2%*	*1.9%*	*2.0%*
Idaho Education	42,028	42,727	44,844	45,836	46,031	47,911	49,141	50,179	51,071	51,876
% Ch	*3.9%*	*1.7%*	*5.0%*	*2.2%*	*0.4%*	*4.1%*	*2.6%*	*2.1%*	*1.8%*	*1.6%*
Idaho Other	34,817	36,153	36,838	37,536	38,520	39,833	40,832	41,100	41,354	41,588
% Ch	*2.1%*	*3.8%*	*1.9%*	*1.9%*	*2.6%*	*3.4%*	*2.5%*	*0.7%*	*0.6%*	*0.6%*
FEDERAL GOVERNMENT										
Idaho	13,581	13,494	13,112	12,896	13,039	12,800	12,758	13,836	13,015	12,913
% Ch	*0.9%*	*-0.6%*	*-2.8%*	*-1.6%*	*1.1%*	*-1.8%*	*-0.3%*	*8.5%*	*-5.9%*	*-0.8%*
National (Thousands)	2,914	2,869	2,821	2,756	2,699	2,685	2,702	2,869	2,719	2,689
% Ch	*-1.8%*	*-1.5%*	*-1.7%*	*-2.3%*	*-2.1%*	*-0.5%*	*0.6%*	*6.2%*	*-5.2%*	*-1.1%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL

JULY 1999

MISCELLANEOUS

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
FEDERAL TRANSFERS TO										
STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	351.4	364.0	418.5	448.0	423.0	456.2	524.2	553.0	590.9	667.9
% Ch	*8.1%*	*3.6%*	*15.0%*	*7.1%*	*-5.6%*	*7.8%*	*14.9%*	*5.5%*	*6.8%*	*13.0%*
National (Billions)	87.0	94.4	100.3	107.6	102.9	111.2	118.2	132.4	153.4	172.2
% Ch	*3.8%*	*8.4%*	*6.3%*	*7.3%*	*-4.3%*	*8.1%*	*6.3%*	*12.0%*	*15.9%*	*12.3%*
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	73.2	75.9	78.5	80.6	83.1	86.1	89.7	93.6	97.3	100.0
% Ch	*4.3%*	*3.8%*	*3.4%*	*2.6%*	*3.1%*	*3.7%*	*4.2%*	*4.4%*	*3.9%*	*2.8%*
Consumption Expenditures	70.5	73.1	75.8	78.0	81.0	84.3	88.4	92.9	96.8	100.0
% Ch	*4.5%*	*3.8%*	*3.7%*	*2.8%*	*3.8%*	*4.2%*	*4.9%*	*5.1%*	*4.2%*	*3.3%*
Durable Goods	85.5	86.7	87.8	88.9	91.6	93.3	95.3	96.6	98.5	100.0
% Ch	*2.0%*	*1.4%*	*1.2%*	*1.3%*	*3.0%*	*1.8%*	*2.2%*	*1.4%*	*2.0%*	*1.5%*
Nondurable Goods	74.6	76.7	78.7	78.7	81.8	84.8	89.3	94.6	98.1	100.0
% Ch	*2.5%*	*2.8%*	*2.6%*	*0.0%*	*3.9%*	*3.7%*	*5.2%*	*6.0%*	*3.6%*	*2.0%*
Services	64.9	68.2	71.6	75.3	78.2	82.2	86.6	91.2	95.8	100.0
% Ch	*6.7%*	*5.1%*	*5.1%*	*5.1%*	*3.9%*	*5.0%*	*5.4%*	*5.4%*	*5.0%*	*4.4%*
Cons. Price Index (1982-84)	99.6	103.9	107.6	109.7	113.7	118.4	124.0	130.8	136.3	140.4
% Ch	*3.2%*	*4.4%*	*3.5%*	*1.9%*	*3.7%*	*4.1%*	*4.8%*	*5.4%*	*4.2%*	*3.0%*
SELECTED INTEREST RATES										
Federal Funds	9.09%	10.23%	8.10%	6.81%	6.66%	7.57%	9.22%	8.10%	5.69%	3.52%
Prime	10.79%	12.04%	9.93%	8.33%	8.20%	9.32%	10.87%	10.01%	8.46%	6.25%
New Home Mortgage	12.66%	12.37%	11.58%	10.26%	9.31%	9.18%	10.11%	10.01%	9.30%	8.25%
U.S. Govt. 3-Month Bills	8.61%	9.52%	7.48%	5.98%	5.78%	6.67%	8.11%	7.49%	5.38%	3.43%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	83.3	89.8	92.0	99.6	104.9	105.1	104.3	101.6	94.5	100.0
% Ch	*18.5%*	*7.8%*	*2.4%*	*8.3%*	*5.3%*	*0.2%*	*-0.8%*	*-2.6%*	*-6.9%*	*5.8%*
Office & Computer Equip.	29.5	42.0	50.3	53.7	62.2	74.6	83.0	81.4	82.3	100.0
% Ch	*38.5%*	*42.2%*	*19.8%*	*6.7%*	*15.9%*	*19.9%*	*11.2%*	*-1.9%*	*1.1%*	*21.4%*
Electrical Machinery	55.9	66.7	68.4	71.0	75.6	82.5	85.8	87.7	89.6	100.0
% Ch	*8.2%*	*19.3%*	*2.6%*	*3.7%*	*6.6%*	*9.1%*	*3.9%*	*2.3%*	*2.1%*	*11.6%*
Electronic Components	29.8	40.6	41.2	44.2	51.9	58.5	65.2	72.1	80.9	100.0
% Ch	*16.4%*	*36.2%*	*1.6%*	*7.3%*	*17.4%*	*12.7%*	*11.5%*	*10.4%*	*12.2%*	*23.7%*
Food	84.6	86.4	88.9	91.2	93.5	94.9	95.9	97.0	98.4	100.0
% Ch	*2.6%*	*2.1%*	*2.9%*	*2.6%*	*2.6%*	*1.4%*	*1.1%*	*1.2%*	*1.4%*	*1.6%*
Paper	81.0	85.0	83.8	88.3	90.9	93.8	95.4	96.0	96.8	100.0
% Ch	*9.0%*	*4.9%*	*-1.4%*	*5.3%*	*3.0%*	*3.1%*	*1.7%*	*0.6%*	*0.8%*	*3.3%*
Agricultural Chemicals	73.6	85.7	80.7	74.8	84.6	90.0	97.2	100.4	97.6	100.0
% Ch	*-1.4%*	*16.5%*	*-5.8%*	*-7.4%*	*13.1%*	*6.4%*	*8.1%*	*3.3%*	*-2.8%*	*2.5%*
Metals & Minerals Mining	67.9	75.2	76.3	77.1	80.6	88.4	93.8	98.4	95.2	100.0
% Ch	*2.1%*	*10.8%*	*1.4%*	*1.0%*	*4.6%*	*9.7%*	*6.2%*	*4.9%*	*-3.3%*	*5.1%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
JULY 1999

MISCELLANEOUS

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
FEDERAL TRANSFERS TO										
STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	723.9	766.2	835.6	910.5	939.1	969.3	1,040.2	1,100.4	1,151.0	1,210.2
% Ch	*8.4%*	*5.8%*	*9.1%*	*9.0%*	*3.1%*	*3.2%*	*7.3%*	*5.8%*	*4.6%*	*5.1%*
National (Billions)	185.8	199.2	212.0	218.9	225.0	231.1	247.5	260.9	272.0	285.2
% Ch	*7.9%*	*7.2%*	*6.4%*	*3.3%*	*2.8%*	*2.7%*	*7.1%*	*5.4%*	*4.2%*	*4.9%*
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	102.6	105.1	107.5	109.5	111.6	112.7	114.1	115.6	117.6	119.9
% Ch	*2.6%*	*2.4%*	*2.3%*	*1.9%*	*1.9%*	*1.0%*	*1.2%*	*1.4%*	*1.7%*	*1.9%*
Consumption Expenditures	102.7	105.1	107.6	109.7	111.8	112.7	114.3	116.3	118.7	121.3
% Ch	*2.7%*	*2.4%*	*2.3%*	*2.0%*	*1.9%*	*0.8%*	*1.4%*	*1.7%*	*2.1%*	*2.2%*
Durable Goods	101.2	103.3	103.7	102.7	100.7	98.3	95.8	94.5	94.0	93.8
% Ch	*1.2%*	*2.0%*	*0.4%*	*-0.9%*	*-2.0%*	*-2.3%*	*-2.5%*	*-1.4%*	*-0.5%*	*-0.2%*
Nondurable Goods	101.5	102.8	104.0	106.1	107.7	107.7	109.8	111.9	114.4	117.1
% Ch	*1.5%*	*1.3%*	*1.2%*	*2.0%*	*1.5%*	*0.0%*	*2.0%*	*1.9%*	*2.2%*	*2.4%*
Services	103.6	106.8	110.4	113.3	116.6	118.8	121.2	124.0	127.1	130.4
% Ch	*3.6%*	*3.1%*	*3.3%*	*2.7%*	*2.9%*	*1.9%*	*2.0%*	*2.3%*	*2.5%*	*2.6%*
Cons. Price Index (1982-84)	144.6	148.3	152.5	157.0	160.6	163.1	166.5	170.4	174.5	179.0
% Ch	*3.0%*	*2.6%*	*2.8%*	*2.9%*	*2.3%*	*1.6%*	*2.1%*	*2.3%*	*2.5%*	*2.5%*
SELECTED INTEREST RATES										
Federal Funds	3.02%	4.20%	5.84%	5.30%	5.46%	5.35%	4.75%	4.75%	4.75%	4.75%
Prime	6.00%	7.14%	8.83%	8.27%	8.44%	8.35%	7.75%	7.75%	7.75%	7.75%
New Home Mortgage	7.24%	7.47%	7.85%	7.77%	7.73%	7.08%	7.12%	7.27%	7.05%	6.85%
U.S. Govt. 3-Month Bills	3.00%	4.25%	5.49%	5.01%	5.06%	4.78%	4.50%	4.47%	4.40%	4.37%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	100.8	105.9	107.9	110.4	114.2	117.2	121.9	122.3	122.4	124.3
% Ch	*0.8%*	*5.1%*	*1.9%*	*2.3%*	*3.5%*	*2.7%*	*4.0%*	*0.3%*	*0.1%*	*1.5%*
Office & Computer Equip.	120.5	149.3	211.3	298.8	423.7	649.4	888.1	1,234.7	1,660.6	2,112.8
% Ch	*20.5%*	*23.9%*	*41.5%*	*41.4%*	*41.8%*	*53.3%*	*36.8%*	*39.0%*	*34.5%*	*27.2%*
Electrical Machinery	109.9	131.4	166.3	206.0	253.4	289.6	329.8	371.5	421.9	475.2
% Ch	*9.9%*	*19.5%*	*26.6%*	*23.9%*	*23.0%*	*14.3%*	*13.9%*	*12.6%*	*13.6%*	*12.6%*
Electronic Components	115.7	154.2	243.6	356.9	523.9	663.5	858.7	1,072.2	1,321.1	1,586.5
% Ch	*15.7%*	*33.3%*	*57.9%*	*46.5%*	*46.8%*	*26.6%*	*29.4%*	*24.9%*	*23.2%*	*20.1%*
Food	102.0	103.7	105.8	105.4	108.0	109.7	112.3	113.8	115.6	116.8
% Ch	*2.0%*	*1.6%*	*2.0%*	*-0.3%*	*2.4%*	*1.6%*	*2.4%*	*1.4%*	*1.5%*	*1.1%*
Paper	104.0	108.4	109.6	108.8	114.4	115.0	117.6	118.1	120.7	123.2
% Ch	*4.0%*	*4.2%*	*1.1%*	*-0.8%*	*5.2%*	*0.5%*	*2.3%*	*0.4%*	*2.2%*	*2.1%*
Agricultural Chemicals	100.8	100.5	100.3	102.4	103.6	108.3	110.1	109.4	111.7	113.4
% Ch	*0.8%*	*-0.4%*	*-0.2%*	*2.0%*	*1.2%*	*4.5%*	*1.6%*	*-0.6%*	*2.1%*	*1.5%*
Metals & Minerals Mining	100.8	105.0	108.0	110.2	115.9	118.2	115.1	111.1	113.6	115.4
% Ch	*0.8%*	*4.2%*	*2.8%*	*2.1%*	*5.1%*	*2.0%*	*-2.6%*	*-3.5%*	*2.3%*	*1.5%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

DEMOGRAPHICS

	1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,176.8	1,183.3	1,190.0	1,196.9	1,202.6	1,208.3	1,213.9	1,219.0	1,223.9	1,228.6	1,233.4	1,238.1
% Ch	*2.4%*	*2.2%*	*2.3%*	*2.3%*	*1.9%*	*1.9%*	*1.9%*	*1.7%*	*1.6%*	*1.5%*	*1.6%*	*1.5%*
National (Millions)	264.8	265.5	266.1	266.7	267.3	267.9	268.5	269.1	269.7	270.3	270.9	271.5
% Ch	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*
BIRTHS												
Idaho (Thousands)	18.245	18.397	18.558	18.726	18.558	18.590	18.618	18.629	18.656	18.677	18.700	18.721
% Ch	*3.7%*	*3.4%*	*3.5%*	*3.7%*	*-3.5%*	*0.7%*	*0.6%*	*0.2%*	*0.6%*	*0.4%*	*0.5%*	*0.4%*
National (Thousands)	3,919	3,913	3,908	3,903	3,898	3,894	3,890	3,887	3,884	3,881	3,879	3,877
% Ch	*-0.6%*	*-0.6%*	*-0.5%*	*-0.5%*	*-0.5%*	*-0.5%*	*-0.4%*	*-0.3%*	*-0.3%*	*-0.3%*	*-0.2%*	*-0.2%*
DEATHS												
Idaho (Thousands)	8.607	8.654	8.702	8.751	8.891	8.933	8.974	9.013	9.050	9.086	9.123	9.159
% Ch	*2.3%*	*2.2%*	*2.2%*	*2.3%*	*6.5%*	*1.9%*	*1.8%*	*1.7%*	*1.7%*	*1.6%*	*1.6%*	*1.6%*
National (Thousands)	2,308	2,315	2,321	2,328	2,335	2,342	2,348	2,355	2,362	2,369	2,375	2,382
% Ch	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.1%*	*1.1%*	*1.1%*
NET MIGRATION												
Idaho (Thousands)	17.867	16.126	17.042	17.528	13.263	13.143	12.756	10.784	9.994	9.210	9.623	9.238
HOUSING												
HOUSING STARTS												
Idaho	9,660	10,134	8,959	8,122	8,310	8,261	9,350	9,541	10,812	9,801	9,365	10,513
% Ch	*-15.4%*	*21.1%*	*-38.9%*	*-32.5%*	*9.6%*	*-2.3%*	*64.1%*	*8.4%*	*64.9%*	*-32.5%*	*-16.6%*	*58.8%*
National (Millions)	*1.461*	*1.496*	*1.501*	*1.417*	*1.459*	*1.473*	*1.457*	*1.515*	*1.585*	*1.570*	*1.637*	*1.701*
% Ch	*12.8%*	*9.9%*	*1.5%*	*-20.6%*	*12.3%*	*3.9%*	*-4.3%*	*17.1%*	*19.6%*	*-3.7%*	*18.2%*	*16.6%*
SINGLE UNITS												
Idaho	7,976	8,353	7,797	7,287	7,390	7,259	7,711	8,288	9,367	8,772	8,639	9,437
% Ch	*-0.1%*	*20.2%*	*-24.1%*	*-23.7%*	*5.8%*	*-6.9%*	*27.3%*	*33.5%*	*63.1%*	*-23.1%*	*-6.0%*	*42.4%*
National (Millions)	1.149	1.186	1.184	1.098	1.158	1.120	1.139	1.133	1.248	1.243	1.274	1.352
% Ch	*2.5%*	*13.5%*	*-0.9%*	*-26.0%*	*23.6%*	*-12.5%*	*7.2%*	*-2.2%*	*47.2%*	*-1.5%*	*10.1%*	*27.0%*
MULTIPLE UNITS												
Idaho	1,683	1,781	1,162	835	919	1,002	1,639	1,253	1,445	1,028	726	1,076
% Ch	*-58.2%*	*25.3%*	*-81.9%*	*-73.4%*	*47.0%*	*41.1%*	*616.6%*	*-65.8%*	*77.0%*	*-74.4%*	*-75.2%*	*381.9%*
National (Millions)	0.311	0.309	0.318	0.319	0.301	0.353	0.317	0.382	0.337	0.326	0.363	0.349
% Ch	*64.3%*	*-2.5%*	*11.2%*	*1.7%*	*-20.7%*	*89.2%*	*-34.7%*	*110.7%*	*-39.9%*	*-11.7%*	*53.1%*	*-14.9%*
HOUSING STOCK												
Idaho (Thousands)	383.1	385.3	387.3	389.0	390.8	392.6	394.6	396.7	399.1	401.3	403.3	405.6
% Ch	*2.3%*	*2.4%*	*2.0%*	*1.8%*	*1.8%*	*1.8%*	*2.1%*	*2.1%*	*2.4%*	*2.2%*	*2.0%*	*2.3%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

DEMOGRAPHICS

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,243.2	1,248.3	1,253.6	1,258.7	1,263.5	1,268.3	1,273.2	1,278.0	1,282.8	1,287.6	1,292.4	1,296.8
% Ch	*1.7%*	*1.7%*	*1.7%*	*1.7%*	*1.5%*	*1.5%*	*1.6%*	*1.5%*	*1.5%*	*1.5%*	*1.5%*	*1.4%*
National (Millions)	272.0	272.6	273.2	273.8	274.4	274.9	275.5	276.1	276.6	277.2	277.8	278.4
% Ch	*0.9%*	*0.9%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*
BIRTHS												
Idaho (Thousands)	18.780	18.840	18.905	18.966	19.012	19.061	19.113	19.164	19.213	19.261	19.308	19.343
% Ch	*1.3%*	*1.3%*	*1.4%*	*1.3%*	*1.0%*	*1.0%*	*1.1%*	*1.1%*	*1.0%*	*1.0%*	*1.0%*	*0.7%*
National (Thousands)	3,876	3,874	3,873	3,873	3,872	3,872	3,872	3,873	3,874	3,875	3,877	3,879
% Ch	*-0.1%*	*-0.2%*	*-0.1%*	*-0.1%*	*-0.1%*	*-0.1%*	*0.0%*	*0.1%*	*0.1%*	*0.1%*	*0.2%*	*0.2%*
DEATHS												
Idaho (Thousands)	9.197	9.236	9.275	9.313	9.350	9.386	9.423	9.460	9.497	9.534	9.570	9.604
% Ch	*1.7%*	*1.7%*	*1.7%*	*1.7%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.5%*	*1.5%*	*1.4%*
National (Thousands)	2,389	2,396	2,402	2,409	2,415	2,421	2,427	2,433	2,438	2,443	2,449	2,454
% Ch	*1.2%*	*1.1%*	*1.1%*	*1.0%*	*1.1%*	*1.0%*	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*
NET MIGRATION												
Idaho (Thousands)	10.883	10.840	11.430	10.928	9.256	9.505	9.917	9.707	9.590	9.332	9.329	7.806
HOUSING												
HOUSING STARTS												
Idaho	10,015	9,950	9,802	9,795	9,823	9,867	9,907	9,926	9,900	9,878	9,858	9,845
% Ch	*-17.6%*	*-2.6%*	*-5.8%*	*-0.3%*	*1.1%*	*1.8%*	*1.6%*	*0.8%*	*-1.1%*	*-0.9%*	*-0.8%*	*-0.5%*
National (Millions)	*1.774*	*1.620*	*1.590*	*1.574*	*1.547*	*1.516*	*1.489*	*1.483*	*1.491*	*1.488*	*1.483*	*1.488*
% Ch	*18.5%*	*-30.4%*	*-7.2%*	*-4.0%*	*-6.7%*	*-7.8%*	*-7.0%*	*-1.6%*	*2.2%*	*-0.8%*	*-1.3%*	*1.4%*
SINGLE UNITS												
Idaho	9,200	9,155	9,039	9,071	9,135	9,213	9,273	9,312	9,307	9,298	9,286	9,279
% Ch	*-9.7%*	*-1.9%*	*-5.0%*	*1.4%*	*2.8%*	*3.4%*	*2.6%*	*1.7%*	*-0.2%*	*-0.4%*	*-0.5%*	*-0.3%*
National (Millions)	1.390	1.275	1.241	1.224	1.198	1.170	1.146	1.141	1.150	1.145	1.139	1.141
% Ch	*11.8%*	*-29.2%*	*-10.5%*	*-5.4%*	*-8.0%*	*-9.2%*	*-7.8%*	*-1.8%*	*3.1%*	*-1.5%*	*-2.3%*	*1.0%*
MULTIPLE UNITS												
Idaho	815	796	763	724	688	654	634	614	592	580	572	566
% Ch	*-67.0%*	*-9.4%*	*-15.4%*	*-18.9%*	*-18.4%*	*-18.4%*	*-11.6%*	*-12.1%*	*-13.5%*	*-8.2%*	*-5.3%*	*-4.2%*
National (Millions)	0.384	0.345	0.350	0.351	0.349	0.346	0.342	0.341	0.341	0.342	0.344	0.347
% Ch	*47.1%*	*-34.8%*	*5.5%*	*1.2%*	*-2.4%*	*-2.9%*	*-4.2%*	*-1.1%*	*-0.7%*	*1.9%*	*2.0%*	*3.0%*
HOUSING STOCK												
Idaho (Thousands)	407.8	410.0	412.2	414.3	416.4	418.6	420.8	422.9	425.1	427.2	429.4	431.5
% Ch	*2.2%*	*2.2%*	*2.1%*	*2.1%*	*2.1%*	*2.1%*	*2.1%*	*2.1%*	*2.1%*	*2.0%*	*2.0%*	*2.0%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

OUTPUT, INCOME, & WAGES

	1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	7,495.3	7,629.2	7,703.4	7,818.4	7,955.0	8,063.4	8,170.8	8,254.5	8,384.2	8,440.6	8,537.9	8,681.2
% Ch	*5.7%*	*7.3%*	*3.9%*	*6.1%*	*7.2%*	*5.6%*	*5.4%*	*4.2%*	*6.4%*	*2.7%*	*4.7%*	*6.9%*
1992 Chain-Weighted	6,882.0	6,983.9	7,020.0	7,093.1	7,166.7	7,236.5	7,311.2	7,364.6	7,464.7	7,498.6	7,566.5	7,677.7
% Ch	*3.3%*	*6.1%*	*2.1%*	*4.2%*	*4.2%*	*4.0%*	*4.2%*	*3.0%*	*5.5%*	*1.8%*	*3.7%*	*6.0%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	22,895	23,412	23,613	23,751	24,167	24,524	24,894	25,017	25,385	25,566	25,990	26,667
% Ch	*2.7%*	*9.3%*	*3.5%*	*2.4%*	*7.2%*	*6.0%*	*6.2%*	*2.0%*	*6.0%*	*2.9%*	*6.8%*	*10.8%*
Idaho Nonfarm (Millions)	22,167	22,581	22,809	23,018	23,491	23,829	24,183	24,327	24,802	24,958	25,372	25,887
% Ch	*3.2%*	*7.7%*	*4.1%*	*3.7%*	*8.5%*	*5.9%*	*6.1%*	*2.4%*	*8.0%*	*2.5%*	*6.8%*	*8.4%*
National (Billions)	6,284	6,390	6,477	6,550	6,667	6,744	6,821	6,905	7,004	7,082	7,161	7,258
% Ch	*6.6%*	*6.9%*	*5.5%*	*4.6%*	*7.3%*	*4.7%*	*4.7%*	*5.0%*	*5.9%*	*4.5%*	*4.5%*	*5.5%*
PERSONAL INCOME - 1992 $												
Idaho (Millions)	21,030	21,370	21,476	21,470	21,712	21,970	22,227	22,278	22,605	22,716	23,033	23,571
% Ch	*0.5%*	*6.6%*	*2.0%*	*-0.1%*	*4.6%*	*4.8%*	*4.8%*	*0.9%*	*6.0%*	*2.0%*	*5.7%*	*9.7%*
Idaho Nonfarm (Millions)	20,361	20,612	20,745	20,807	21,105	21,347	21,592	21,663	22,086	22,175	22,486	22,881
% Ch	*1.0%*	*5.0%*	*2.6%*	*1.2%*	*5.8%*	*4.7%*	*4.7%*	*1.3%*	*8.0%*	*1.6%*	*5.7%*	*7.2%*
National (Billions)	5,772	5,834	5,891	5,920	5,989	6,042	6,091	6,149	6,237	6,293	6,347	6,416
% Ch	*4.3%*	*4.3%*	*4.0%*	*2.0%*	*4.7%*	*3.5%*	*3.3%*	*3.9%*	*5.9%*	*3.6%*	*3.5%*	*4.4%*
PER CAPITA PERS INC - CURR $												
Idaho	19,455	19,786	19,843	19,844	20,096	20,296	20,507	20,523	20,741	20,809	21,072	21,539
% Ch	*0.3%*	*7.0%*	*1.2%*	*0.0%*	*5.2%*	*4.1%*	*4.2%*	*0.3%*	*4.3%*	*1.3%*	*5.1%*	*9.2%*
National	23,728	24,072	24,343	24,561	24,942	25,172	25,404	25,660	25,970	26,201	26,436	26,737
% Ch	*5.6%*	*5.9%*	*4.6%*	*3.6%*	*6.4%*	*3.7%*	*3.7%*	*4.1%*	*4.9%*	*3.6%*	*3.6%*	*4.6%*
PER CAPITA PERS INC - 1992 $												
Idaho	17,871	18,060	18,047	17,939	18,054	18,182	18,310	18,276	18,470	18,489	18,675	19,038
% Ch	*-1.8%*	*4.3%*	*-0.3%*	*-2.4%*	*2.6%*	*2.9%*	*2.8%*	*-0.8%*	*4.3%*	*0.4%*	*4.1%*	*8.0%*
National	21,795	21,978	22,142	22,201	22,408	22,552	22,684	22,851	23,128	23,281	23,430	23,634
% Ch	*3.4%*	*3.4%*	*3.0%*	*1.1%*	*3.8%*	*2.6%*	*2.4%*	*3.0%*	*4.9%*	*2.7%*	*2.6%*	*3.5%*
AVERAGE ANNUAL WAGE												
Idaho	23,895	24,183	24,174	24,167	24,467	24,695	25,008	25,017	25,515	25,443	25,857	26,339
% Ch	*-3.0%*	*4.9%*	*-0.2%*	*-0.1%*	*5.1%*	*3.8%*	*5.2%*	*0.1%*	*8.2%*	*-1.1%*	*6.7%*	*7.7%*
National	29,822	30,232	30,542	30,845	31,273	31,520	31,835	32,194	32,549	32,806	33,115	33,456
% Ch	*2.8%*	*5.6%*	*4.2%*	*4.0%*	*5.7%*	*3.2%*	*4.1%*	*4.6%*	*4.5%*	*3.2%*	*3.8%*	*4.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

OUTPUT, INCOME, & WAGES

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	8,799.7	8,906.7	9,004.1	9,075.8	9,136.1	9,211.8	9,280.0	9,355.6	9,465.9	9,558.8	9,645.0	9,750.7
% Ch	*5.6%*	*5.0%*	*4.4%*	*3.2%*	*2.7%*	*3.4%*	*3.0%*	*3.3%*	*4.8%*	*4.0%*	*3.7%*	*4.5%*
1992 Chain-Weighted	7,754.7	7,817.3	7,883.3	7,923.6	7,944.9	7,984.3	8,015.6	8,049.1	8,104.5	8,148.2	8,186.0	8,240.0
% Ch	*4.1%*	*3.3%*	*3.4%*	*2.1%*	*1.1%*	*2.0%*	*1.6%*	*1.7%*	*2.8%*	*2.2%*	*1.9%*	*2.7%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	26,908	27,250	27,541	27,839	28,209	28,555	28,877	29,173	29,542	29,902	30,254	30,620
% Ch	*3.7%*	*5.2%*	*4.3%*	*4.4%*	*5.4%*	*5.0%*	*4.6%*	*4.2%*	*5.2%*	*5.0%*	*4.8%*	*4.9%*
Idaho Nonfarm (Millions)	26,192	26,554	26,847	27,153	27,513	27,853	28,168	28,457	28,837	29,182	29,518	29,879
% Ch	*4.8%*	*5.6%*	*4.5%*	*4.6%*	*5.4%*	*5.0%*	*4.6%*	*4.2%*	*5.4%*	*4.9%*	*4.7%*	*5.0%*
National (Billions)	7,351	7,442	7,522	7,612	7,698	7,773	7,843	7,911	8,006	8,086	8,161	8,247
% Ch	*5.2%*	*5.1%*	*4.4%*	*4.8%*	*4.6%*	*4.0%*	*3.7%*	*3.5%*	*4.9%*	*4.1%*	*3.8%*	*4.3%*
PERSONAL INCOME - 1992 $												
Idaho (Millions)	23,721	23,871	24,037	24,219	24,432	24,623	24,787	24,916	25,104	25,269	25,427	25,597
% Ch	*2.6%*	*2.5%*	*2.8%*	*3.1%*	*3.6%*	*3.2%*	*2.7%*	*2.1%*	*3.0%*	*2.7%*	*2.5%*	*2.7%*
Idaho Nonfarm (Millions)	23,091	23,261	23,431	23,622	23,829	24,018	24,178	24,306	24,505	24,660	24,809	24,978
% Ch	*3.7%*	*3.0%*	*3.0%*	*3.3%*	*3.5%*	*3.2%*	*2.7%*	*2.1%*	*3.3%*	*2.6%*	*2.4%*	*2.8%*
National (Billions)	6,480	6,520	6,566	6,623	6,670	6,706	6,736	6,761	6,804	6,834	6,860	6,895
% Ch	*4.1%*	*2.5%*	*2.8%*	*3.5%*	*2.9%*	*2.2%*	*1.8%*	*1.5%*	*2.6%*	*1.8%*	*1.5%*	*2.1%*
PER CAPITA PERS INC - CURR $												
Idaho	21,643	21,829	21,970	22,116	22,327	22,515	22,681	22,826	23,028	23,223	23,409	23,613
% Ch	*2.0%*	*3.5%*	*2.6%*	*2.7%*	*3.9%*	*3.4%*	*3.0%*	*2.6%*	*3.6%*	*3.4%*	*3.2%*	*3.5%*
National	27,021	27,300	27,534	27,802	28,059	28,273	28,468	28,657	28,938	29,169	29,379	29,627
% Ch	*4.3%*	*4.2%*	*3.5%*	*4.0%*	*3.7%*	*3.1%*	*2.8%*	*2.7%*	*4.0%*	*3.2%*	*2.9%*	*3.4%*
PER CAPITA PERS INC - 1992 $												
Idaho	19,080	19,122	19,175	19,241	19,337	19,415	19,469	19,496	19,569	19,625	19,675	19,739
% Ch	*0.9%*	*0.9%*	*1.1%*	*1.4%*	*2.0%*	*1.6%*	*1.1%*	*0.6%*	*1.5%*	*1.1%*	*1.0%*	*1.3%*
National	23,821	23,916	24,033	24,190	24,311	24,391	24,449	24,489	24,595	24,654	24,696	24,772
% Ch	*3.2%*	*1.6%*	*2.0%*	*2.6%*	*2.0%*	*1.3%*	*1.0%*	*0.7%*	*1.7%*	*1.0%*	*0.7%*	*1.2%*
AVERAGE ANNUAL WAGE												
Idaho	26,428	26,651	26,828	27,047	27,308	27,580	27,837	28,091	28,337	28,582	28,834	29,060
% Ch	*1.4%*	*3.4%*	*2.7%*	*3.3%*	*3.9%*	*4.0%*	*3.8%*	*3.7%*	*3.6%*	*3.5%*	*3.6%*	*3.2%*
National	33,823	34,151	34,452	34,767	35,097	35,406	35,695	35,979	36,308	36,601	36,887	37,175
% Ch	*4.5%*	*3.9%*	*3.6%*	*3.7%*	*3.9%*	*3.6%*	*3.3%*	*3.2%*	*3.7%*	*3.3%*	*3.2%*	*3.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

PERSONAL INCOME -- CURR $$

	1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	12,066	12,333	12,429	12,514	12,789	13,008	13,293	13,375	13,685	13,761	14,073	14,461
% Ch	*-1.0%*	*9.1%*	*3.2%*	*2.8%*	*9.1%*	*7.0%*	*9.1%*	*2.5%*	*9.6%*	*2.2%*	*9.4%*	*11.5%*
National (Billions)	3,533	3,606	3,664	3,722	3,798	3,855	3,916	3,990	4,062	4,118	4,177	4,243
% Ch	*4.6%*	*8.5%*	*6.6%*	*6.4%*	*8.5%*	*6.1%*	*6.4%*	*7.8%*	*7.4%*	*5.6%*	*5.9%*	*6.4%*
FARM PROPRIETORS INCOME												
Idaho (Millions)	416	523	495	419	350	359	366	339	224	234	229	376
% Ch	*-14.0%*	*149.8%*	*-19.8%*	*-48.7%*	*-51.3%*	*10.7%*	*8.0%*	*-26.4%*	*-80.9%*	*19.1%*	*-8.3%*	*626.8%*
National (Billions)	35	41	43	37	36	38	36	31	27	28	25	35
% Ch	*160.2%*	*92.6%*	*23.1%*	*-48.0%*	*-2.9%*	*16.8%*	*-15.5%*	*-44.0%*	*-42.3%*	*5.3%*	*-32.2%*	*261.8%*
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	2,483	2,506	2,530	2,558	2,621	2,702	2,734	2,759	2,827	2,847	2,895	2,982
% Ch	*-1.9%*	*3.8%*	*3.9%*	*4.5%*	*10.2%*	*12.9%*	*4.8%*	*3.7%*	*10.2%*	*2.9%*	*6.9%*	*12.6%*
National (Billions)	481	487	490	496	504	512	520	527	537	544	551	562
% Ch	*6.2%*	*4.8%*	*2.7%*	*5.0%*	*6.3%*	*6.5%*	*6.5%*	*5.0%*	*8.0%*	*5.5%*	*5.2%*	*8.4%*
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	3,824	3,874	3,961	4,020	4,108	4,151	4,190	4,213	4,233	4,276	4,321	4,350
% Ch	*13.1%*	*5.3%*	*9.3%*	*6.1%*	*9.0%*	*4.3%*	*3.8%*	*2.2%*	*1.9%*	*4.1%*	*4.3%*	*2.7%*
National (Billions)	1,093	1,108	1,129	1,142	1,157	1,164	1,169	1,173	1,177	1,186	1,196	1,203
% Ch	*13.1%*	*5.6%*	*7.9%*	*4.6%*	*5.5%*	*2.2%*	*2.0%*	*1.2%*	*1.4%*	*3.1%*	*3.3%*	*2.5%*
OTHER LABOR INCOME												
Idaho (Millions)	1,326	1,336	1,319	1,308	1,321	1,328	1,340	1,328	1,354	1,349	1,368	1,393
% Ch	*-11.7%*	*3.1%*	*-5.0%*	*-3.3%*	*4.0%*	*2.1%*	*3.7%*	*-3.5%*	*8.1%*	*-1.5%*	*5.8%*	*7.5%*
National (Billions)	388	388	386	386	390	392	394	397	403	406	408	411
% Ch	*-7.5%*	*-0.4%*	*-1.2%*	*-0.3%*	*3.8%*	*1.9%*	*2.1%*	*3.5%*	*5.9%*	*2.9%*	*2.7%*	*2.6%*
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	3,721	3,801	3,840	3,895	3,961	3,978	3,999	4,026	4,113	4,141	4,166	4,197
% Ch	*13.9%*	*8.9%*	*4.2%*	*5.9%*	*7.0%*	*1.7%*	*2.1%*	*2.7%*	*8.9%*	*2.8%*	*2.4%*	*3.0%*
National (Billions)	1,055	1,065	1,072	1,080	1,100	1,107	1,114	1,121	1,139	1,146	1,153	1,158
% Ch	*8.6%*	*4.2%*	*2.5%*	*2.9%*	*7.9%*	*2.3%*	*2.6%*	*2.4%*	*6.8%*	*2.4%*	*2.5%*	*1.9%*
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,140	1,166	1,179	1,190	1,224	1,247	1,275	1,280	1,312	1,316	1,341	1,374
% Ch	*-1.4%*	*9.4%*	*4.5%*	*3.8%*	*11.9%*	*7.7%*	*9.3%*	*1.6%*	*10.4%*	*1.2%*	*7.8%*	*10.2%*
National (Billions)	300	305	308	312	320	324	328	334	341	345	349	354
% Ch	*2.3%*	*6.5%*	*5.2%*	*5.1%*	*9.5%*	*5.3%*	*5.6%*	*6.7%*	*9.1%*	*5.0%*	*5.2%*	*5.4%*
RESIDENCE ADJUSTMENT												
Idaho (Millions)	199	205	218	227	241	246	248	258	261	274	279	281
% Ch	*31.0%*	*12.6%*	*27.9%*	*17.6%*	*27.0%*	*8.6%*	*3.3%*	*17.1%*	*4.7%*	*21.5%*	*7.5%*	*2.9%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

PERSONAL INCOME -- CURR $$

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	14,616	14,822	15,008	15,207	15,459	15,703	15,924	16,127	16,344	16,563	16,781	16,986
% Ch	*4.3%*	*5.8%*	*5.1%*	*5.4%*	*6.8%*	*6.5%*	*5.8%*	*5.2%*	*5.5%*	*5.5%*	*5.4%*	*5.0%*
National (Billions)	4,315	4,376	4,436	4,503	4,561	4,615	4,664	4,713	4,770	4,821	4,869	4,919
% Ch	*6.9%*	*5.8%*	*5.6%*	*6.1%*	*5.3%*	*4.8%*	*4.3%*	*4.3%*	*4.9%*	*4.4%*	*4.0%*	*4.2%*
FARM PROPRIETORS INCOME												
Idaho (Millions)	307	291	288	278	286	288	293	296	282	295	307	310
% Ch	*-55.6%*	*-19.3%*	*-3.5%*	*-13.7%*	*12.2%*	*3.1%*	*7.4%*	*3.7%*	*-17.3%*	*19.2%*	*18.0%*	*2.7%*
National (Billions)	26	24	24	23	23	23	23	23	24	25	26	26
% Ch	*-70.7%*	*-17.8%*	*-4.4%*	*-16.8%*	*-3.7%*	*0.9%*	*5.0%*	*0.7%*	*9.4%*	*18.3%*	*17.1%*	*-0.3%*
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	3,056	3,113	3,144	3,158	3,172	3,200	3,217	3,235	3,276	3,303	3,326	3,369
% Ch	*10.3%*	*7.7%*	*4.0%*	*1.9%*	*1.7%*	*3.6%*	*2.2%*	*2.2%*	*5.2%*	*3.4%*	*2.7%*	*5.3%*
National (Billions)	576	586	591	594	596	601	605	608	615	620	624	632
% Ch	*9.8%*	*7.3%*	*3.8%*	*1.8%*	*1.6%*	*3.4%*	*2.1%*	*2.1%*	*4.9%*	*3.2%*	*2.6%*	*5.1%*
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	4,381	4,430	4,459	4,502	4,513	4,523	4,536	4,557	4,590	4,632	4,670	4,706
% Ch	*2.9%*	*4.5%*	*2.7%*	*3.9%*	*0.9%*	*0.9%*	*1.2%*	*1.8%*	*3.0%*	*3.7%*	*3.3%*	*3.2%*
National (Billions)	1,208	1,219	1,223	1,233	1,237	1,239	1,242	1,246	1,253	1,263	1,271	1,279
% Ch	*1.6%*	*3.6%*	*1.3%*	*3.2%*	*1.4%*	*0.8%*	*0.8%*	*1.3%*	*2.3%*	*3.2%*	*2.7%*	*2.6%*
OTHER LABOR INCOME												
Idaho (Millions)	1,397	1,414	1,428	1,447	1,472	1,494	1,515	1,535	1,555	1,574	1,596	1,610
% Ch	*1.2%*	*4.9%*	*4.1%*	*5.4%*	*7.1%*	*6.1%*	*5.6%*	*5.4%*	*5.3%*	*5.1%*	*5.5%*	*3.6%*
National (Billions)	415	420	424	430	436	441	445	450	455	459	464	467
% Ch	*3.7%*	*4.8%*	*4.5%*	*5.9%*	*5.4%*	*4.2%*	*4.0%*	*4.4%*	*4.6%*	*3.9%*	*4.0%*	*2.7%*
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	4,266	4,309	4,352	4,394	4,478	4,528	4,587	4,633	4,724	4,779	4,836	4,918
% Ch	*6.7%*	*4.0%*	*4.1%*	*3.9%*	*7.8%*	*4.6%*	*5.3%*	*4.1%*	*8.0%*	*4.7%*	*4.9%*	*6.9%*
National (Billions)	1,176	1,186	1,196	1,205	1,227	1,239	1,253	1,264	1,286	1,300	1,313	1,334
% Ch	*6.1%*	*3.4%*	*3.4%*	*3.2%*	*7.3%*	*4.0%*	*4.6%*	*3.5%*	*7.5%*	*4.1%*	*4.3%*	*6.5%*
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,401	1,417	1,432	1,446	1,473	1,489	1,508	1,528	1,550	1,570	1,593	1,613
% Ch	*8.0%*	*4.8%*	*4.2%*	*4.1%*	*7.6%*	*4.5%*	*5.0%*	*5.4%*	*6.1%*	*5.1%*	*6.1%*	*5.2%*
National (Billions)	363	368	372	376	382	384	388	392	397	401	406	410
% Ch	*10.7%*	*4.8%*	*4.7%*	*4.8%*	*6.1%*	*2.9%*	*3.6%*	*4.5%*	*5.5%*	*4.0%*	*4.7%*	*4.4%*
RESIDENCE ADJUSTMENT												
Idaho (Millions)	284	289	293	297	302	307	312	316	321	325	330	334
% Ch	*4.7%*	*6.3%*	*5.6%*	*5.9%*	*7.4%*	*7.0%*	*6.2%*	*5.6%*	*5.9%*	*5.9%*	*5.8%*	*5.3%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

EMPLOYMENT

	1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	485,795	491,125	495,037	498,408	502,877	506,630	511,392	514,254	515,783	519,820	523,025	527,728
% Ch	*2.2%*	*4.5%*	*3.2%*	*2.8%*	*3.6%*	*3.0%*	*3.8%*	*2.3%*	*1.2%*	*3.2%*	*2.5%*	*3.6%*
National (Thousands)	118,459	119,273	119,974	120,655	121,461	122,317	122,995	123,934	124,795	125,516	126,141	126,816
% Ch	*1.8%*	*2.8%*	*2.4%*	*2.3%*	*2.7%*	*2.9%*	*2.2%*	*3.1%*	*2.8%*	*2.3%*	*2.0%*	*2.2%*
GOODS PRODUCING SECTOR												
Idaho	105,205	106,410	106,852	107,783	108,900	109,433	109,818	111,477	111,004	111,481	111,328	111,185
% Ch	*2.8%*	*4.7%*	*1.7%*	*3.5%*	*4.2%*	*2.0%*	*1.4%*	*6.2%*	*-1.7%*	*1.7%*	*-0.5%*	*-0.5%*
National (Thousands)	24,325	24,453	24,542	24,648	24,787	24,881	24,963	25,108	25,296	25,315	25,210	25,221
% Ch	*0.4%*	*2.1%*	*1.5%*	*1.7%*	*2.3%*	*1.5%*	*1.3%*	*2.3%*	*3.0%*	*0.3%*	*-1.6%*	*0.2%*
MANUFACTURING												
Idaho	72,162	72,830	73,075	73,553	73,790	74,299	74,929	75,426	76,087	76,540	76,224	75,627
% Ch	*3.8%*	*3.8%*	*1.4%*	*2.6%*	*1.3%*	*2.8%*	*3.4%*	*2.7%*	*3.6%*	*2.4%*	*-1.6%*	*-3.1%*
National (Thousands)	18,469	18,485	18,503	18,526	18,579	18,625	18,672	18,756	18,825	18,804	18,660	18,588
% Ch	*-0.5%*	*0.4%*	*0.4%*	*0.5%*	*1.2%*	*1.0%*	*1.0%*	*1.8%*	*1.5%*	*-0.4%*	*-3.0%*	*-1.5%*
DURABLE MANUFACTURING												
Idaho	43,399	44,150	44,284	44,445	44,524	45,052	45,821	46,749	47,182	47,480	47,162	46,877
% Ch	*7.0%*	*7.1%*	*1.2%*	*1.5%*	*0.7%*	*4.8%*	*7.0%*	*8.3%*	*3.8%*	*2.5%*	*-2.7%*	*-2.4%*
National (Thousands)	10,727	10,777	10,810	10,840	10,896	10,947	11,015	11,091	11,160	11,157	11,062	11,022
% Ch	*0.7%*	*1.9%*	*1.2%*	*1.1%*	*2.1%*	*1.9%*	*2.5%*	*2.8%*	*2.5%*	*-0.1%*	*-3.4%*	*-1.4%*
LUMBER & WOOD PRODUCTS												
Idaho	14,509	14,448	14,419	14,405	14,334	14,243	14,158	14,229	13,684	13,933	13,666	13,651
% Ch	*-2.9%*	*-1.7%*	*-0.8%*	*-0.4%*	*-2.0%*	*-2.5%*	*-2.4%*	*2.0%*	*-14.5%*	*7.5%*	*-7.4%*	*-0.4%*
National (Thousands)	770	777	781	785	789	794	794	796	800	802	803	809
% Ch	*-1.5%*	*3.9%*	*2.2%*	*1.9%*	*2.1%*	*2.4%*	*0.0%*	*1.0%*	*2.4%*	*0.8%*	*0.5%*	*3.2%*
STONE, CLAY, GLASS, etc.												
Idaho	4,202	4,394	4,384	4,381	4,424	4,423	4,394	4,418	4,304	4,283	4,352	4,403
% Ch	*0.8%*	*19.6%*	*-0.9%*	*-0.3%*	*4.0%*	*-0.1%*	*-2.6%*	*2.3%*	*-10.0%*	*-1.9%*	*6.6%*	*4.8%*
National (Thousands)	1,978	1,985	1,999	2,008	2,015	2,024	2,029	2,042	2,057	2,055	2,048	2,050
% Ch	*0.3%*	*1.4%*	*2.9%*	*1.9%*	*1.5%*	*1.7%*	*1.1%*	*2.6%*	*2.9%*	*-0.4%*	*-1.4%*	*0.5%*
ELEC & NONELEC MACH												
Idaho	19,827	20,332	20,427	20,477	20,616	21,165	21,909	22,645	23,552	23,503	23,228	22,950
% Ch	*17.2%*	*10.6%*	*1.9%*	*1.0%*	*2.7%*	*11.1%*	*14.8%*	*14.1%*	*17.0%*	*-0.8%*	*-4.6%*	*-4.7%*
National (Thousands)	3,758	3,772	3,782	3,789	3,810	3,834	3,865	3,898	3,923	3,918	3,884	3,834
% Ch	*2.1%*	*1.5%*	*1.0%*	*0.8%*	*2.2%*	*2.5%*	*3.3%*	*3.5%*	*2.6%*	*-0.5%*	*-3.5%*	*-5.1%*
OTHER DURABLES												
Idaho	4,861	4,975	5,054	5,182	5,150	5,222	5,360	5,456	5,642	5,760	5,916	5,873
% Ch	*4.9%*	*9.7%*	*6.5%*	*10.5%*	*-2.5%*	*5.7%*	*11.0%*	*7.3%*	*14.4%*	*8.7%*	*11.3%*	*-2.9%*
National (Thousands)	4,222	4,243	4,248	4,258	4,282	4,296	4,328	4,355	4,380	4,382	4,327	4,329
% Ch	0.1%	2.0%	0.5%	0.9%	2.3%	1.3%	3.0%	2.6%	2.3%	0.2%	-4.9%	0.2%

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

EMPLOYMENT

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	531,551	534,935	538,258	541,174	544,971	548,298	551,045	553,148	555,710	558,480	561,093	563,694
% Ch	*2.9%*	*2.6%*	*2.5%*	*2.2%*	*2.8%*	*2.5%*	*2.0%*	*1.5%*	*1.9%*	*2.0%*	*1.9%*	*1.9%*
National (Thousands)	127,561	128,135	128,760	129,506	129,956	130,335	130,654	131,000	131,375	131,723	131,991	132,324
% Ch	*2.4%*	*1.8%*	*2.0%*	*2.3%*	*1.4%*	*1.2%*	*1.0%*	*1.1%*	*1.1%*	*1.1%*	*0.8%*	*1.0%*
GOODS PRODUCING SECTOR												
Idaho	111,580	111,777	111,765	112,084	112,448	112,822	113,258	113,649	114,166	114,730	115,176	115,559
% Ch	*1.4%*	*0.7%*	*0.0%*	*1.1%*	*1.3%*	*1.3%*	*1.6%*	*1.4%*	*1.8%*	*2.0%*	*1.6%*	*1.3%*
National (Thousands)	25,233	25,127	25,075	25,024	24,859	24,710	24,574	24,517	24,491	24,461	24,400	24,334
% Ch	*0.2%*	*-1.7%*	*-0.8%*	*-0.8%*	*-2.6%*	*-2.4%*	*-2.2%*	*-0.9%*	*-0.4%*	*-0.5%*	*-1.0%*	*-1.1%*
MANUFACTURING												
Idaho	75,984	76,152	76,237	76,448	76,608	77,004	77,415	77,745	78,170	78,677	79,103	79,469
% Ch	*1.9%*	*0.9%*	*0.4%*	*1.1%*	*0.8%*	*2.1%*	*2.2%*	*1.7%*	*2.2%*	*2.6%*	*2.2%*	*1.9%*
National (Thousands)	18,487	18,389	18,317	18,272	18,155	18,035	17,964	17,933	17,935	17,946	17,922	17,868
% Ch	*-2.2%*	*-2.1%*	*-1.6%*	*-1.0%*	*-2.5%*	*-2.6%*	*-1.6%*	*-0.7%*	*0.0%*	*0.3%*	*-0.5%*	*-1.2%*
DURABLE MANUFACTURING												
Idaho	46,802	47,054	47,004	47,110	47,209	47,424	47,694	47,924	48,211	48,541	48,884	49,175
% Ch	*-0.6%*	*2.2%*	*-0.4%*	*0.9%*	*0.8%*	*1.8%*	*2.3%*	*1.9%*	*2.4%*	*2.8%*	*2.9%*	*2.4%*
National (Thousands)	10,952	10,897	10,845	10,829	10,764	10,699	10,666	10,652	10,662	10,678	10,671	10,646
% Ch	*-2.5%*	*-2.0%*	*-1.9%*	*-0.6%*	*-2.4%*	*-2.4%*	*-1.3%*	*-0.5%*	*0.4%*	*0.6%*	*-0.2%*	*-0.9%*
LUMBER & WOOD PRODUCTS												
Idaho	13,661	13,652	13,543	13,426	13,305	13,214	13,108	12,987	12,910	12,844	12,739	12,651
% Ch	*0.3%*	*-0.3%*	*-3.1%*	*-3.4%*	*-3.6%*	*-2.7%*	*-3.2%*	*-3.6%*	*-2.4%*	*-2.0%*	*-3.2%*	*-2.7%*
National (Thousands)	819	817	811	809	807	804	800	797	795	793	790	788
% Ch	*4.7%*	*-0.8%*	*-3.1%*	*-0.7%*	*-1.2%*	*-1.3%*	*-2.2%*	*-1.6%*	*-0.9%*	*-0.8%*	*-1.6%*	*-0.9%*
STONE, CLAY, GLASS, etc.												
Idaho	4,437	4,454	4,459	4,453	4,437	4,428	4,430	4,433	4,440	4,457	4,465	4,460
% Ch	*3.1%*	*1.5%*	*0.5%*	*-0.5%*	*-1.5%*	*-0.8%*	*0.1%*	*0.3%*	*0.7%*	*1.5%*	*0.7%*	*-0.5%*
National (Thousands)	2,050	2,041	2,040	2,034	2,023	2,013	2,004	2,004	2,005	2,006	2,001	1,997
% Ch	*-0.1%*	*-1.7%*	*-0.3%*	*-1.1%*	*-2.2%*	*-1.8%*	*-1.8%*	*-0.1%*	*0.3%*	*0.2%*	*-1.0%*	*-0.9%*
ELEC & NONELEC MACH												
Idaho	22,820	22,912	23,020	23,294	23,596	23,954	24,323	24,724	25,076	25,446	25,831	26,213
% Ch	*-2.2%*	*1.6%*	*1.9%*	*4.8%*	*5.3%*	*6.2%*	*6.3%*	*6.8%*	*5.8%*	*6.0%*	*6.2%*	*6.1%*
National (Thousands)	3,784	3,765	3,747	3,751	3,737	3,721	3,720	3,734	3,760	3,788	3,803	3,808
% Ch	*-5.1%*	*-1.9%*	*-2.0%*	*0.5%*	*-1.6%*	*-1.7%*	*0.0%*	*1.5%*	*2.8%*	*3.0%*	*1.5%*	*0.6%*
OTHER DURABLES												
Idaho	5,885	6,036	5,981	5,936	5,872	5,828	5,834	5,780	5,785	5,794	5,849	5,851
% Ch	*0.8%*	*10.7%*	*-3.6%*	*-3.0%*	*-4.3%*	*-2.9%*	*0.4%*	*-3.6%*	*0.3%*	*0.6%*	*3.9%*	*0.1%*
National (Thousands)	4,300	4,273	4,248	4,234	4,198	4,161	4,141	4,118	4,102	4,090	4,077	4,053
% Ch	-2.6%	-2.5%	-2.4%	-1.3%	-3.4%	-3.4%	-1.9%	-2.2%	-1.5%	-1.2%	-1.2%	-2.4%

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

EMPLOYMENT

	1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	28,762	28,680	28,791	29,108	29,266	29,247	29,108	28,677	28,905	29,060	29,063	28,751
% Ch	*-0.8%*	*-1.1%*	*1.6%*	*4.5%*	*2.2%*	*-0.3%*	*-1.9%*	*-5.8%*	*3.2%*	*2.2%*	*0.0%*	*-4.2%*
National (Thousands)	7,741	7,708	7,693	7,685	7,683	7,678	7,656	7,665	7,665	7,647	7,598	7,566
% Ch	*-2.1%*	*-1.7%*	*-0.8%*	*-0.4%*	*-0.1%*	*-0.2%*	*-1.1%*	*0.5%*	*0.0%*	*-0.9%*	*-2.6%*	*-1.7%*
FOOD PROCESSING												
Idaho	17,303	17,343	17,434	17,773	17,962	17,832	17,649	17,185	17,241	17,385	17,455	17,064
% Ch	*-3.6%*	*0.9%*	*2.1%*	*8.0%*	*4.3%*	*-2.9%*	*-4.0%*	*-10.1%*	*1.3%*	*3.4%*	*1.6%*	*-8.7%*
National (Thousands)	*1,704*	*1,694*	*1,686*	*1,687*	*1,690*	*1,691*	*1,686*	*1,696*	*1,703*	*1,708*	*1,697*	*1,710*
% Ch	*0.2%*	*-2.2%*	*-1.9%*	*0.2%*	*0.8%*	*0.1%*	*-1.2%*	*2.4%*	*1.7%*	*1.2%*	*-2.6%*	*3.2%*
CANNED, CURED, & FROZEN												
Idaho	10,667	10,579	10,602	10,869	11,030	10,688	10,420	10,065	9,939	10,108	10,179	9,755
% Ch	*-7.5%*	*-3.3%*	*0.9%*	*10.5%*	*6.1%*	*-11.8%*	*-9.7%*	*-12.9%*	*-4.9%*	*7.0%*	*2.8%*	*-15.6%*
OTHER FOOD PROCESSING												
Idaho	6,636	6,765	6,832	6,903	6,932	7,144	7,230	7,119	7,302	7,278	7,276	7,309
% Ch	*3.2%*	*8.0%*	*4.0%*	*4.2%*	*1.7%*	*12.8%*	*4.9%*	*-6.0%*	*10.6%*	*-1.3%*	*-0.1%*	*1.8%*
PAPER, PRINTING, PUBLISH.												
Idaho	7,202	7,138	7,210	7,217	7,115	7,185	7,281	7,284	7,396	7,433	7,445	7,491
% Ch	*6.4%*	*-3.5%*	*4.1%*	*0.4%*	*-5.5%*	*4.0%*	*5.4%*	*0.2%*	*6.3%*	*2.0%*	*0.6%*	*2.5%*
National (Thousands)	2,227	2,220	2,222	2,226	2,228	2,238	2,240	2,245	2,252	2,251	2,249	2,240
% Ch	*-1.0%*	*-1.1%*	*0.2%*	*0.8%*	*0.3%*	*1.9%*	*0.4%*	*0.9%*	*1.2%*	*-0.1%*	*-0.5%*	*-1.5%*
CHEMICALS												
Idaho	2,375	2,364	2,301	2,291	2,329	2,307	2,235	2,268	2,351	2,392	2,344	2,342
% Ch	*0.7%*	*-1.8%*	*-10.2%*	*-1.8%*	*6.9%*	*-3.7%*	*-12.0%*	*6.0%*	*15.5%*	*7.2%*	*-7.8%*	*-0.3%*
National (Thousands)	1,036	1,034	1,034	1,032	1,034	1,035	1,032	1,035	1,036	1,037	1,037	1,035
% Ch	*0.0%*	*-0.6%*	*-0.1%*	*-0.5%*	*0.6%*	*0.3%*	*-1.0%*	*1.2%*	*0.3%*	*0.5%*	*-0.1%*	*-0.8%*
OTHER NONDURABLES												
Idaho	1,882	1,834	1,846	1,827	1,860	1,922	1,943	1,940	1,917	1,849	1,819	1,854
% Ch	*-3.2%*	*-9.8%*	*2.5%*	*-3.9%*	*7.3%*	*14.1%*	*4.5%*	*-0.6%*	*-4.7%*	*-13.5%*	*-6.3%*	*7.9%*
National (Thousands)	2,775	2,759	2,751	2,740	2,731	2,715	2,698	2,689	2,675	2,651	2,616	2,582
% Ch	*-5.1%*	*-2.3%*	*-1.2%*	*-1.6%*	*-1.4%*	*-2.3%*	*-2.4%*	*-1.4%*	*-2.1%*	*-3.5%*	*-5.2%*	*-5.1%*
MINING												
Idaho	2,904	3,024	3,145	3,176	3,187	3,150	3,024	3,033	2,938	2,939	2,916	2,818
%Ch	*11.2%*	*17.6%*	*17.0%*	*3.9%*	*1.4%*	*-4.5%*	*-15.1%*	*1.2%*	*-12.0%*	*0.2%*	*-3.2%*	*-12.8%*
National (Thousands)	576	580	580	583	590	592	593	592	590	580	570	560
%Ch	*1.2%*	*3.3%*	*0.0%*	*2.1%*	*4.7%*	*1.6%*	*0.5%*	*-0.9%*	*-1.3%*	*-6.6%*	*-6.5%*	*-6.6%*
METAL MINING												
Idaho	1,714	1,799	1,919	1,958	1,959	1,891	1,767	1,754	1,722	1,735	1,687	1,625
%Ch	*6.0%*	*21.4%*	*29.6%*	*8.3%*	*0.2%*	*-13.1%*	*-23.8%*	*-3.0%*	*-6.9%*	*3.0%*	*-10.6%*	*-13.9%*
OTHER MINING												
Idaho	1,190	1,225	1,226	1,218	1,228	1,258	1,257	1,279	1,215	1,204	1,229	1,193
% Ch	*19.2%*	*12.4%*	*0.2%*	*-2.7%*	*3.4%*	*10.4%*	*-0.5%*	*7.4%*	*-18.6%*	*-3.6%*	*8.4%*	*-11.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

EMPLOYMENT

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	29,182	29,099	29,234	29,338	29,398	29,580	29,721	29,820	29,959	30,136	30,219	30,294
% Ch	*6.1%*	*-1.1%*	*1.9%*	*1.4%*	*0.8%*	*2.5%*	*1.9%*	*1.3%*	*1.9%*	*2.4%*	*1.1%*	*1.0%*
National (Thousands)	7,535	7,492	7,472	7,443	7,391	7,336	7,298	7,281	7,272	7,269	7,251	7,222
% Ch	*-1.7%*	*-2.2%*	*-1.1%*	*-1.6%*	*-2.7%*	*-3.0%*	*-2.0%*	*-0.9%*	*-0.5%*	*-0.2%*	*-1.0%*	*-1.6%*
FOOD PROCESSING												
Idaho	17,512	17,426	17,460	17,474	17,464	17,595	17,692	17,738	17,812	17,906	17,902	17,887
% Ch	*10.9%*	*-1.9%*	*0.8%*	*0.3%*	*-0.2%*	*3.0%*	*2.2%*	*1.0%*	*1.7%*	*2.1%*	*-0.1%*	*-0.3%*
National (Thousands)	*1,719*	*1,715*	*1,711*	*1,716*	*1,715*	*1,709*	*1,707*	*1,709*	*1,711*	*1,717*	*1,718*	*1,717*
% Ch	*2.0%*	*-0.7%*	*-1.1%*	*1.2%*	*-0.4%*	*-1.3%*	*-0.5%*	*0.4%*	*0.5%*	*1.4%*	*0.3%*	*-0.4%*
CANNED, CURED, & FROZEN												
Idaho	10,083	10,013	9,978	10,032	10,013	10,049	10,089	10,135	10,204	10,330	10,343	10,322
% Ch	*14.2%*	*-2.8%*	*-1.4%*	*2.2%*	*-0.8%*	*1.4%*	*1.6%*	*1.8%*	*2.7%*	*5.0%*	*0.5%*	*-0.8%*
OTHER FOOD PROCESSING												
Idaho	7,428	7,413	7,481	7,442	7,451	7,546	7,603	7,603	7,608	7,576	7,559	7,565
% Ch	*6.7%*	*-0.8%*	*3.7%*	*-2.1%*	*0.5%*	*5.2%*	*3.0%*	*0.0%*	*0.3%*	*-1.7%*	*-0.9%*	*0.3%*
PAPER, PRINTING, PUBLISH.												
Idaho	7,450	7,447	7,474	7,508	7,547	7,564	7,564	7,565	7,571	7,598	7,629	7,663
% Ch	*-2.2%*	*-0.1%*	*1.5%*	*1.8%*	*2.1%*	*0.9%*	*0.0%*	*0.1%*	*0.3%*	*1.4%*	*1.6%*	*1.8%*
National (Thousands)	2,232	2,223	2,230	2,227	2,218	2,204	2,196	2,192	2,190	2,189	2,185	2,179
% Ch	*-1.4%*	*-1.6%*	*1.3%*	*-0.5%*	*-1.7%*	*-2.4%*	*-1.5%*	*-0.8%*	*-0.3%*	*-0.2%*	*-0.8%*	*-1.0%*
CHEMICALS												
Idaho	2,409	2,422	2,477	2,524	2,548	2,572	2,602	2,645	2,693	2,738	2,785	2,830
% Ch	*11.9%*	*2.1%*	*9.5%*	*7.7%*	*3.9%*	*3.9%*	*4.6%*	*6.8%*	*7.4%*	*6.9%*	*6.9%*	*6.6%*
National (Thousands)	1,032	1,030	1,031	1,030	1,024	1,020	1,019	1,021	1,023	1,025	1,025	1,024
% Ch	*-1.2%*	*-0.5%*	*0.0%*	*-0.2%*	*-2.3%*	*-1.4%*	*-0.5%*	*0.6%*	*0.8%*	*0.7%*	*-0.1%*	*-0.1%*
OTHER NONDURABLES												
Idaho	1,811	1,804	1,822	1,832	1,840	1,849	1,862	1,872	1,884	1,894	1,904	1,915
% Ch	*-8.9%*	*-1.5%*	*4.0%*	*2.2%*	*1.6%*	*2.1%*	*2.9%*	*2.1%*	*2.6%*	*2.1%*	*2.3%*	*2.2%*
National (Thousands)	2,552	2,523	2,501	2,469	2,435	2,402	2,376	2,360	2,348	2,338	2,323	2,302
% Ch	*-4.5%*	*-4.5%*	*-3.5%*	*-4.9%*	*-5.5%*	*-5.3%*	*-4.2%*	*-2.7%*	*-2.0%*	*-1.7%*	*-2.5%*	*-3.6%*
MINING												
Idaho	2,771	2,683	2,646	2,604	2,636	2,666	2,608	2,588	2,604	2,580	2,535	2,525
%Ch	*-6.5%*	*-12.1%*	*-5.5%*	*-6.1%*	*5.0%*	*4.6%*	*-8.5%*	*-3.1%*	*2.5%*	*-3.6%*	*-6.8%*	*-1.6%*
National (Thousands)	541	531	533	539	544	544	538	533	527	521	514	508
%Ch	*-13.1%*	*-7.0%*	*1.6%*	*4.1%*	*3.9%*	*-0.1%*	*-4.0%*	*-3.8%*	*-4.4%*	*-4.5%*	*-5.3%*	*-4.8%*
METAL MINING												
Idaho	1,586	1,529	1,520	1,510	1,541	1,574	1,542	1,533	1,548	1,537	1,513	1,514
%Ch	*-9.3%*	*-13.5%*	*-2.3%*	*-2.6%*	*8.5%*	*8.8%*	*-7.9%*	*-2.2%*	*3.9%*	*-2.8%*	*-6.0%*	*0.1%*
OTHER MINING												
Idaho	1,186	1,154	1,126	1,094	1,095	1,092	1,066	1,054	1,056	1,043	1,022	1,011
% Ch	*-2.4%*	*-10.2%*	*-9.5%*	*-10.7%*	*0.4%*	*-1.0%*	*-9.3%*	*-4.3%*	*0.5%*	*-4.8%*	*-7.9%*	*-4.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

EMPLOYMENT

	1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	30,139	30,555	30,632	31,054	31,923	31,984	31,865	33,018	31,979	32,002	32,188	32,740
% Ch	*-0.3%*	*5.6%*	*1.0%*	*5.6%*	*11.7%*	*0.8%*	*-1.5%*	*15.3%*	*-12.0%*	*0.3%*	*2.3%*	*7.0%*
National (Thousands)	5,280	5,388	5,459	5,539	5,618	5,663	5,698	5,761	5,881	5,931	5,980	6,072
% Ch	*3.5%*	*8.4%*	*5.4%*	*6.0%*	*5.9%*	*3.3%*	*2.5%*	*4.5%*	*8.6%*	*3.4%*	*3.3%*	*6.3%*
SERVICE PRODUCING SECTOR												
Idaho	380,590	384,715	388,185	390,625	393,977	397,197	401,573	402,778	404,779	408,339	411,697	416,543
% Ch	*2.1%*	*4.4%*	*3.7%*	*2.5%*	*3.5%*	*3.3%*	*4.5%*	*1.2%*	*2.0%*	*3.6%*	*3.3%*	*4.8%*
National (Thousands)	94,134	94,820	95,432	96,008	96,674	97,436	98,032	98,826	99,500	100,201	100,931	101,596
% Ch	*2.2%*	*2.9%*	*2.6%*	*2.4%*	*2.8%*	*3.2%*	*2.5%*	*3.3%*	*2.8%*	*2.8%*	*2.9%*	*2.7%*
FINANCE, INSUR, REAL ESTATE												
Idaho	25,357	25,370	25,079	24,892	25,270	25,286	25,386	25,629	22,735	22,793	22,914	23,262
% Ch	*1.3%*	*0.2%*	*-4.5%*	*-2.9%*	*6.2%*	*0.3%*	*1.6%*	*3.9%*	*-38.1%*	*1.0%*	*2.2%*	*6.2%*
National (Thousands)	6,845	6,887	6,934	6,977	7,016	7,063	7,110	7,172	7,234	7,311	7,378	7,439
% Ch	*1.5%*	*2.5%*	*2.8%*	*2.5%*	*2.3%*	*2.7%*	*2.7%*	*3.6%*	*3.5%*	*4.3%*	*3.7%*	*3.3%*
TRANS, COMMUN, PUBLIC UTIL												
Idaho	23,028	23,130	23,445	24,006	23,970	24,135	24,313	24,554	24,971	25,396	25,692	25,907
% Ch	*-0.4%*	*1.8%*	*5.6%*	*9.9%*	*-0.6%*	*2.8%*	*3.0%*	*4.0%*	*7.0%*	*7.0%*	*4.8%*	*3.4%*
National (Thousands)	6,203	6,243	6,284	6,288	6,356	6,399	6,370	6,453	6,490	6,528	6,566	6,609
% Ch	*0.8%*	*2.6%*	*2.6%*	*0.3%*	*4.4%*	*2.7%*	*-1.8%*	*5.3%*	*2.3%*	*2.4%*	*2.3%*	*2.6%*
TRADE												
Idaho	123,453	124,438	125,955	126,914	128,066	128,753	129,383	129,842	131,032	132,359	133,175	133,864
% Ch	*1.9%*	*3.2%*	*5.0%*	*3.1%*	*3.7%*	*2.2%*	*2.0%*	*1.4%*	*3.7%*	*4.1%*	*2.5%*	*2.1%*
National (Thousands)	27,820	27,983	28,155	28,347	28,439	28,583	28,704	28,898	29,044	29,213	29,404	29,532
% Ch	*1.6%*	*2.4%*	*2.5%*	*2.8%*	*1.3%*	*2.0%*	*1.7%*	*2.7%*	*2.0%*	*2.3%*	*2.6%*	*1.8%*
SERVICES												
Idaho	113,567	115,597	116,810	117,999	119,258	121,555	123,911	125,859	126,710	127,799	128,793	131,784
% Ch	*5.4%*	*7.3%*	*4.3%*	*4.1%*	*4.3%*	*7.9%*	*8.0%*	*6.4%*	*2.7%*	*3.5%*	*3.1%*	*9.6%*
National (Thousands)	33,914	34,299	34,639	34,964	35,402	35,871	36,245	36,639	37,019	37,347	37,691	38,031
% Ch	*4.0%*	*4.6%*	*4.0%*	*3.8%*	*5.1%*	*5.4%*	*4.2%*	*4.4%*	*4.2%*	*3.6%*	*3.7%*	*3.7%*
STATE & LOCAL GOVERNMENT												
Idaho	82,341	83,191	84,053	83,905	84,399	84,610	85,647	83,547	86,336	87,283	88,334	89,022
% Ch	*-0.4%*	*4.2%*	*4.2%*	*-0.7%*	*2.4%*	*1.0%*	*5.0%*	*-9.5%*	*14.0%*	*4.5%*	*4.9%*	*3.2%*
National (Thousands)	16,573	16,640	16,675	16,702	16,745	16,818	16,914	16,974	17,039	17,129	17,211	17,271
% Ch	*1.1%*	*1.6%*	*0.8%*	*0.6%*	*1.0%*	*1.7%*	*2.3%*	*1.4%*	*1.5%*	*2.1%*	*1.9%*	*1.4%*
Idaho Education	45,179	45,395	46,542	46,229	46,484	46,316	47,044	44,280	47,103	47,707	48,310	48,522
% Ch	*-2.7%*	*1.9%*	*10.5%*	*-2.7%*	*2.2%*	*-1.4%*	*6.4%*	*-21.5%*	*28.0%*	*5.2%*	*5.2%*	*1.8%*
Idaho Other	37,162	37,795	37,511	37,676	37,915	38,294	38,603	39,268	39,233	39,575	40,023	40,500
% Ch	*2.4%*	*7.0%*	*-3.0%*	*1.8%*	*2.6%*	*4.1%*	*3.3%*	*7.1%*	*-0.4%*	*3.5%*	*4.6%*	*4.9%*
FEDERAL GOVERNMENT												
Idaho	12,843	12,990	12,843	12,910	13,015	12,859	12,934	13,346	12,996	12,710	12,789	12,704
% Ch	*-2.7%*	*4.7%*	*-4.4%*	*2.1%*	*3.3%*	*-4.7%*	*2.4%*	*13.4%*	*-10.1%*	*-8.5%*	*2.5%*	*-2.6%*
National (Thousands)	2,779	2,767	2,746	2,730	2,715	2,703	2,689	2,689	2,672	2,673	2,681	2,715
% Ch	*-2.5%*	*-1.7%*	*-3.0%*	*-2.3%*	*-2.3%*	*-1.8%*	*-2.1%*	*0.0%*	*-2.5%*	*0.1%*	*1.2%*	*5.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

EMPLOYMENT

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	32,825	32,941	32,881	33,032	33,204	33,152	33,235	33,317	33,392	33,474	33,537	33,565
% Ch	*1.0%*	*1.4%*	*-0.7%*	*1.8%*	*2.1%*	*-0.6%*	*1.0%*	*1.0%*	*0.9%*	*1.0%*	*0.8%*	*0.3%*
National (Thousands)	6,205	6,207	6,225	6,214	6,160	6,132	6,071	6,050	6,029	5,993	5,964	5,958
% Ch	*9.1%*	*0.1%*	*1.1%*	*-0.7%*	*-3.4%*	*-1.8%*	*-3.9%*	*-1.4%*	*-1.4%*	*-2.4%*	*-1.9%*	*-0.4%*
SERVICE PRODUCING SECTOR												
Idaho	419,971	423,158	426,494	429,090	432,522	435,476	437,787	439,499	441,544	443,750	445,918	448,135
% Ch	*3.3%*	*3.1%*	*3.2%*	*2.5%*	*3.2%*	*2.8%*	*2.1%*	*1.6%*	*1.9%*	*2.0%*	*2.0%*	*2.0%*
National (Thousands)	102,328	103,007	103,685	104,482	105,097	105,624	106,081	106,483	106,884	107,263	107,591	107,990
% Ch	*2.9%*	*2.7%*	*2.7%*	*3.1%*	*2.4%*	*2.0%*	*1.7%*	*1.5%*	*1.5%*	*1.4%*	*1.2%*	*1.5%*
FINANCE, INSUR, REAL ESTATE												
Idaho	23,380	23,418	23,487	23,558	23,632	23,711	23,794	23,874	23,948	24,017	24,087	24,148
% Ch	*2.0%*	*0.7%*	*1.2%*	*1.2%*	*1.3%*	*1.3%*	*1.4%*	*1.3%*	*1.2%*	*1.2%*	*1.2%*	*1.0%*
National (Thousands)	7,495	7,543	7,582	7,641	7,657	7,690	7,726	7,762	7,793	7,826	7,847	7,868
% Ch	*3.0%*	*2.6%*	*2.1%*	*3.1%*	*0.9%*	*1.8%*	*1.9%*	*1.9%*	*1.6%*	*1.7%*	*1.1%*	*1.1%*
TRANS, COMMUN, PUBLIC UTIL												
Idaho	26,094	26,231	26,361	26,489	26,605	26,737	26,862	26,977	27,079	27,189	27,302	27,409
% Ch	*2.9%*	*2.1%*	*2.0%*	*2.0%*	*1.8%*	*2.0%*	*1.9%*	*1.7%*	*1.5%*	*1.6%*	*1.7%*	*1.6%*
National (Thousands)	6,654	6,704	6,763	6,804	6,823	6,851	6,870	6,903	6,922	6,935	6,946	6,960
% Ch	*2.8%*	*3.0%*	*3.5%*	*2.4%*	*1.2%*	*1.6%*	*1.1%*	*1.9%*	*1.1%*	*0.7%*	*0.6%*	*0.8%*
TRADE												
Idaho	135,217	136,502	137,639	138,426	139,322	140,222	141,089	141,901	142,732	143,519	144,291	145,119
% Ch	*4.1%*	*3.9%*	*3.4%*	*2.3%*	*2.6%*	*2.6%*	*2.5%*	*2.3%*	*2.4%*	*2.2%*	*2.2%*	*2.3%*
National (Thousands)	29,729	29,910	30,059	30,214	30,324	30,377	30,478	30,539	30,617	30,651	30,700	30,767
% Ch	*2.7%*	*2.5%*	*2.0%*	*2.1%*	*1.5%*	*0.7%*	*1.3%*	*0.8%*	*1.0%*	*0.4%*	*0.6%*	*0.9%*
SERVICES												
Idaho	132,995	134,659	136,141	137,193	138,341	139,496	140,608	141,654	142,699	143,688	144,660	145,702
% Ch	*3.7%*	*5.1%*	*4.5%*	*3.1%*	*3.4%*	*3.4%*	*3.2%*	*3.0%*	*3.0%*	*2.8%*	*2.7%*	*2.9%*
National (Thousands)	38,356	38,711	39,039	39,411	39,638	39,909	40,164	40,467	40,705	40,929	41,100	41,310
% Ch	*3.5%*	*3.8%*	*3.4%*	*3.9%*	*2.3%*	*2.8%*	*2.6%*	*3.0%*	*2.4%*	*2.2%*	*1.7%*	*2.1%*
STATE & LOCAL GOVERNMENT												
Idaho	89,494	89,801	90,128	90,470	90,800	91,124	91,443	91,747	92,020	92,293	92,565	92,818
% Ch	*2.1%*	*1.4%*	*1.5%*	*1.5%*	*1.5%*	*1.4%*	*1.4%*	*1.3%*	*1.2%*	*1.2%*	*1.2%*	*1.1%*
National (Thousands)	17,386	17,469	17,543	17,683	17,782	17,868	17,951	18,032	18,113	18,196	18,281	18,386
% Ch	*2.7%*	*1.9%*	*1.7%*	*3.2%*	*2.3%*	*2.0%*	*1.9%*	*1.8%*	*1.8%*	*1.9%*	*1.9%*	*2.3%*
Idaho Education	48,770	49,006	49,258	49,529	49,797	50,057	50,310	50,550	50,758	50,969	51,178	51,377
% Ch	*2.1%*	*2.0%*	*2.1%*	*2.2%*	*2.2%*	*2.1%*	*2.0%*	*1.9%*	*1.7%*	*1.7%*	*1.7%*	*1.6%*
Idaho Other	40,724	40,795	40,870	40,941	41,003	41,067	41,133	41,198	41,262	41,325	41,387	41,441
% Ch	*2.2%*	*0.7%*	*0.7%*	*0.7%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.5%*
FEDERAL GOVERNMENT												
Idaho	12,791	12,547	12,738	12,954	13,822	14,185	13,990	13,345	13,066	13,044	13,012	12,939
% Ch	*2.8%*	*-7.4%*	*6.2%*	*7.0%*	*29.6%*	*10.9%*	*-5.4%*	*-17.2%*	*-8.1%*	*-0.7%*	*-1.0%*	*-2.2%*
National (Thousands)	2,708	2,671	2,700	2,731	2,872	2,929	2,892	2,781	2,734	2,726	2,716	2,700
% Ch	*-1.0%*	*-5.3%*	*4.3%*	*4.6%*	*22.5%*	*8.1%*	*-4.9%*	*-14.6%*	*-6.6%*	*-1.1%*	*-1.4%*	*-2.4%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

MISCELLANEOUS

	1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	891.5	931.0	911.0	908.5	919.4	931.1	937.8	968.2	957.8	952.2	971.3	996.1
% Ch	*39.5%*	*18.9%*	*-8.3%*	*-1.1%*	*4.9%*	*5.2%*	*2.9%*	*13.6%*	*-4.2%*	*-2.3%*	*8.2%*	*10.6%*
National (Billions)	214.3	223.8	219.0	218.4	220.7	223.2	224.4	231.8	228.7	226.9	231.4	237.4
% Ch	*12.5%*	*18.9%*	*-8.3%*	*-1.1%*	*4.3%*	*4.6%*	*2.2%*	*13.9%*	*-5.2%*	*-3.1%*	*8.2%*	*10.8%*
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	108.9	109.3	109.8	110.2	111.0	111.4	111.8	112.1	112.3	112.6	112.8	113.1
% Ch	*2.2%*	*1.4%*	*1.8%*	*1.6%*	*2.8%*	*1.7%*	*1.2%*	*1.1%*	*0.9%*	*0.9%*	*1.0%*	*0.8%*
Consumption Expenditures	108.9	109.6	110.0	110.6	111.3	111.6	112.0	112.3	112.3	112.5	112.8	113.1
% Ch	*2.2%*	*2.5%*	*1.5%*	*2.5%*	*2.5%*	*1.1%*	*1.3%*	*1.1%*	*0.0%*	*0.9%*	*1.0%*	*1.1%*
Durable Goods	103.5	102.9	102.5	102.1	101.8	101.0	100.2	99.6	99.3	98.7	98.0	97.4
% Ch	*0.6%*	*-2.1%*	*-1.5%*	*-1.8%*	*-0.9%*	*-3.4%*	*-2.8%*	*-2.4%*	*-1.4%*	*-2.2%*	*-3.0%*	*-2.5%*
Nondurable Goods	105.1	106.0	106.1	107.1	107.6	107.5	107.7	108.0	107.3	107.4	107.8	108.1
% Ch	*3.0%*	*3.6%*	*0.3%*	*3.6%*	*2.0%*	*-0.2%*	*0.8%*	*0.9%*	*-2.2%*	*0.2%*	*1.5%*	*0.9%*
Services	112.1	113.0	113.7	114.5	115.5	116.3	117.0	117.6	118.0	118.6	119.0	119.6
% Ch	*2.1%*	*3.0%*	*2.7%*	*2.9%*	*3.5%*	*2.8%*	*2.5%*	*1.9%*	*1.4%*	*1.9%*	*1.7%*	*1.9%*
Cons. Price Index (1982-84)	155.1	156.5	157.4	158.7	159.7	160.2	160.9	161.7	162.1	162.8	163.5	164.2
% Ch	*3.3%*	*3.7%*	*2.3%*	*3.3%*	*2.5%*	*1.2%*	*1.9%*	*1.8%*	*1.0%*	*1.8%*	*1.6%*	*1.7%*
SELECTED INTEREST RATES												
Federal Funds	5.36%	5.24%	5.31%	5.28%	5.28%	5.52%	5.53%	5.51%	5.52%	5.50%	5.53%	4.86%
Prime	8.33%	8.25%	8.25%	8.25%	8.27%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	7.92%
New Home Mortgage	7.34%	7.87%	8.02%	7.85%	7.82%	8.00%	7.66%	7.45%	7.23%	7.18%	7.07%	6.86%
U.S. Govt. 3-Month Bills	4.93%	5.02%	5.10%	4.98%	5.06%	5.05%	5.05%	5.09%	5.05%	4.98%	4.82%	4.26%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	108.2	111.3	111.1	111.0	113.1	115.1	114.1	114.5	115.6	116.4	117.7	119.2
% Ch	*-3.1%*	*12.1%*	*-0.6%*	*-0.4%*	*7.9%*	*7.3%*	*-3.4%*	*1.1%*	*4.0%*	*2.9%*	*4.4%*	*5.4%*
Office & Computer Equip.	258.8	284.2	314.4	338.0	365.2	398.5	445.9	485.2	556.1	623.6	675.4	742.3
% Ch	*43.2%*	*45.6%*	*49.7%*	*33.5%*	*36.4%*	*41.7%*	*56.7%*	*40.2%*	*72.6%*	*58.1%*	*37.6%*	*45.9%*
Electrical Machinery	187.8	203.3	212.6	220.4	230.9	245.9	262.8	273.7	278.2	282.8	292.7	304.8
% Ch	*17.6%*	*37.3%*	*19.6%*	*15.5%*	*20.5%*	*28.6%*	*30.6%*	*17.6%*	*6.7%*	*6.8%*	*14.7%*	*17.7%*
Electronic Components	300.8	345.3	376.2	405.3	443.5	494.3	560.6	597.4	610.0	624.7	674.8	744.4
% Ch	*29.9%*	*73.6%*	*40.8%*	*34.7%*	*43.4%*	*54.3%*	*65.5%*	*28.9%*	*8.7%*	*10.0%*	*36.2%*	*48.1%*
Food	105.1	104.9	105.1	106.5	107.7	107.6	108.0	108.5	110.1	110.0	108.2	110.5
% Ch	*-0.9%*	*-1.0%*	*0.9%*	*5.5%*	*4.5%*	*-0.4%*	*1.6%*	*1.8%*	*5.8%*	*-0.1%*	*-6.5%*	*8.8%*
Paper	105.8	108.6	109.5	111.1	113.1	113.5	115.3	115.8	115.5	115.0	115.0	114.3
% Ch	*-7.7%*	*11.1%*	*3.4%*	*6.0%*	*7.2%*	*1.6%*	*6.4%*	*1.7%*	*-0.9%*	*-1.8%*	*0.1%*	*-2.4%*
Agricultural Chemicals	102.7	100.5	103.4	102.8	102.5	104.5	104.1	103.3	105.8	106.8	112.1	108.6
% Ch	*4.7%*	*-8.3%*	*12.1%*	*-2.5%*	*-0.9%*	*8.0%*	*-1.7%*	*-2.9%*	*9.9%*	*3.9%*	*21.3%*	*-11.8%*
Metals & Minerals Mining	106.5	109.9	111.4	113.1	114.9	115.2	115.9	117.4	119.6	117.4	116.5	119.3
% Ch	*-5.8%*	*13.5%*	*5.5%*	*6.3%*	*6.7%*	*1.0%*	*2.3%*	*5.2%*	*7.9%*	*-7.1%*	*-3.2%*	*10.0%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

JULY 1999

MISCELLANEOUS

	1999				2000				2001			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO												
STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	1,012.4	1,031.3	1,050.9	1,066.3	1,081.5	1,096.6	1,107.6	1,115.8	1,128.6	1,140.9	1,153.3	1,181.3
% Ch	*6.7%*	*7.7%*	*7.8%*	*6.0%*	*5.8%*	*5.7%*	*4.1%*	*3.0%*	*4.7%*	*4.4%*	*4.4%*	*10.1%*
National (Billions)	241.1	245.5	249.9	253.4	256.8	260.2	262.5	264.2	267.0	269.6	272.3	279.0
% Ch	*6.4%*	*7.4%*	*7.5%*	*5.6%*	*5.5%*	*5.4%*	*3.6%*	*2.5%*	*4.3%*	*4.1%*	*4.0%*	*10.2%*
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	113.5	113.9	114.2	114.6	115.0	115.4	115.8	116.3	116.8	117.4	117.9	118.4
% Ch	*1.5%*	*1.6%*	*1.0%*	*1.2%*	*1.7%*	*1.4%*	*1.4%*	*1.6%*	*1.9%*	*1.8%*	*1.8%*	*1.7%*
Consumption Expenditures	113.4	114.2	114.6	114.9	115.5	116.0	116.5	117.1	117.7	118.3	119.0	119.6
% Ch	*1.1%*	*2.6%*	*1.5%*	*1.3%*	*1.8%*	*1.8%*	*1.9%*	*2.0%*	*2.1%*	*2.2%*	*2.2%*	*2.2%*
Durable Goods	96.5	96.0	95.6	95.1	94.8	94.5	94.3	94.2	94.1	94.0	94.0	93.9
% Ch	*-3.3%*	*-2.0%*	*-1.8%*	*-1.9%*	*-1.5%*	*-1.1%*	*-0.8%*	*-0.6%*	*-0.5%*	*-0.3%*	*-0.2%*	*-0.2%*
Nondurable Goods	108.4	110.0	110.2	110.5	111.1	111.6	112.1	112.7	113.4	114.1	114.7	115.4
% Ch	*1.4%*	*5.8%*	*0.8%*	*1.0%*	*2.1%*	*1.8%*	*2.0%*	*2.2%*	*2.3%*	*2.4%*	*2.4%*	*2.3%*
Services	120.2	120.8	121.5	122.2	122.9	123.6	124.3	125.1	125.8	126.7	127.5	128.3
% Ch	*1.9%*	*2.0%*	*2.5%*	*2.1%*	*2.3%*	*2.3%*	*2.4%*	*2.4%*	*2.5%*	*2.7%*	*2.6%*	*2.6%*
Cons. Price Index (1982-84)	164.8	166.3	167.1	167.9	168.9	169.8	170.8	171.9	172.9	174.0	175.1	176.2
% Ch	*1.5%*	*3.8%*	*1.9%*	*2.0%*	*2.3%*	*2.3%*	*2.3%*	*2.5%*	*2.4%*	*2.6%*	*2.5%*	*2.5%*
SELECTED INTEREST RATES												
Federal Funds	4.73%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
Prime	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
New Home Mortgage	6.91%	7.01%	7.25%	7.30%	7.31%	7.30%	7.27%	7.21%	7.13%	7.08%	7.03%	6.98%
U.S. Govt. 3-Month Bills	4.41%	4.43%	4.59%	4.57%	4.51%	4.49%	4.45%	4.42%	4.43%	4.42%	4.38%	4.37%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	121.9	121.6	122.3	121.9	122.0	122.6	122.4	122.2	122.5	122.5	122.2	122.5
% Ch	*9.2%*	*-1.0%*	*2.5%*	*-1.5%*	*0.3%*	*2.0%*	*-0.7%*	*-0.5%*	*1.0%*	*0.0%*	*-1.0%*	*1.0%*
Office & Computer Equip.	792.0	839.0	913.5	1,007.7	1,095.1	1,184.9	1,280.1	1,378.8	1,487.0	1,603.5	1,719.8	1,832.2
% Ch	*29.6%*	*25.9%*	*40.5%*	*48.1%*	*39.5%*	*37.0%*	*36.3%*	*34.6%*	*35.3%*	*35.2%*	*32.3%*	*28.8%*
Electrical Machinery	311.1	326.1	337.3	344.8	354.2	365.7	377.0	388.9	402.1	415.2	428.6	441.8
% Ch	*8.4%*	*20.9%*	*14.4%*	*9.2%*	*11.3%*	*13.6%*	*12.9%*	*13.2%*	*14.2%*	*13.8%*	*13.5%*	*12.9%*
Electronic Components	772.8	835.5	891.1	935.3	985.8	1,043.0	1,099.9	1,160.1	1,224.0	1,287.5	1,353.2	1,419.8
% Ch	*16.2%*	*36.6%*	*29.4%*	*21.3%*	*23.4%*	*25.3%*	*23.7%*	*23.7%*	*23.9%*	*22.4%*	*22.0%*	*21.2%*
Food	112.0	112.0	112.4	112.8	113.0	113.6	114.2	114.6	115.0	115.5	115.7	116.0
% Ch	*5.5%*	*-0.1%*	*1.7%*	*1.2%*	*0.8%*	*2.1%*	*2.0%*	*1.4%*	*1.6%*	*1.6%*	*0.9%*	*0.7%*
Paper	116.2	117.4	118.3	118.4	117.3	118.0	118.3	118.7	119.6	120.4	121.1	121.8
% Ch	*6.9%*	*4.1%*	*2.8%*	*0.4%*	*-3.5%*	*2.2%*	*1.1%*	*1.4%*	*2.9%*	*2.6%*	*2.3%*	*2.3%*
Agricultural Chemicals	109.0	111.2	110.3	109.7	108.8	108.8	109.7	110.3	110.9	111.6	112.0	112.3
% Ch	*1.5%*	*8.2%*	*-3.1%*	*-2.4%*	*-3.2%*	*0.0%*	*3.4%*	*2.3%*	*2.2%*	*2.6%*	*1.5%*	*0.8%*
Metals & Minerals Mining	116.8	116.5	114.7	112.6	111.2	110.9	110.7	111.6	113.6	114.2	113.6	113.1
% Ch	*-8.2%*	*-1.0%*	*-5.9%*	*-7.1%*	*-4.9%*	*-1.1%*	*-0.6%*	*3.4%*	*7.1%*	*2.2%*	*-2.1%*	*-1.7%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the FIRST Quarter of 1999

This page left blank intentionally.

APPENDIX

THE DRI U.S. MACROECONOMIC MODEL

Standard and Poor's DRI Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The DRI model is divided into the following eight major sectors:

I Private Domestic Spending
II Production and Income
III Taxes
IV International Transactions
V Financial
VI Inflation
VII Supply
VIII Expectations

I. **Private Domestic Spending**. Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

DRI divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

II. **Production and Income**. The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and

unemployment rate. Corporate profits are calculated as the residual of total national income less the non-profit components of income mentioned above.

III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.

IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.

V. **Financial.** The DRI model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.

VI. **Inflation**. Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.

VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.

VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the DRI U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

personal income = wage and salary payments + other labor income + farm proprietors' income + nonfarm proprietors' income + property income + transfer payments - contributions for social insurance + residence adjustment.

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 18 Standard Industrial Classification (SIC) employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from DRI's U.S. Macroeconomic Model.

Since the output of the IEM depends in large part upon the output of the DRI model, an understanding of the DRI model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the DRI model are discussed in the National Forecast section.

IDAHO ECONOMIC MODEL EQUATIONS

ID0AHEMF:	ID0AHEMF= 3.19551 + 7.06095*ID0NEWMFD\1/ID0NEWMF\1*JRWSSNF + 9.61522*ID0NEWMFN\1/ID0NEWMF\1*JRWSSNF
ID0AVGW$:	ID0AVGW$=((ID0WBB$-ID0WBBF$-ID0WBBMIL$)/ID0NEW)*1000
ID0CRCROP:	ID0CRCROP= -2.05577 + 0.00425829*CRCROP + 3.06439*WPI01
ID0CRLVSTK:	ID0CRLVSTK= -1.62679 + 0.00876867*CRCATCVS + 2.54877*WPI01
ID0EXFP:	ID0EXFP= -2.21369 + 4.66591*WPI01
ID0GIA$:	ID0GIA$= 56.1364 + 854.023*VAIDGF@SL*ID0NPT/N
ID0HSPR:	ID0HSPR= ID0HSPRS1@A + ID0HSPRS2A@A
ID0HSPRS1@A:	ID0HSPRS1@A= -9.87518 - 0.451913* (RMMTGNNS-MOVAVG(5 TO 1,RMMTGNNS)) + 113.707* (MOVAVG(4 TO 1,ID0NPT)-MOVAVG(8 TO 5,ID0NPT)) + 0.0393479* ID0KHU\1
ID0HSPRS2A@A:	ID0HSPRS2A@A= 9.08036 + 46.8804* (MOVAVG(4 TO 1,ID0NPT)-MOVAVG(8 TO 5,ID0NPT)) - 0.330290* MOVAVG(3 TO 0,RMMTGNNS) - 0.0307492*TIME
ID0IPMFDNEC:	ID0IPMFDNEC= 13.0*JQIND25*100/81.2 + 52.5*JQIND37*100/81.2 + 15.7*JQIND39*100/81.2
ID0IP26&27:	ID0IP26&27=252.3*JQIND26*100/498.1 + 245.8*JQIND27*100/498.1
ID0IP32&34:	ID0IP32&34=58.8*JQIND32*100/206.9 + 148.1*JQIND34*100/206.9
ID0KHU:	ID0KHU= ID0KHU1 + ID0KHU2A
ID0KHU1:	ID0KHU1= ((1-0.003)**.25)*ID0KHU1\1 + ID0HSPRS1@A/4
ID0KHU2A:	ID0KHU2A= ((1-0.003)**.25)*ID0KHU2A\1 + ID0HSPRS2A@A/4
ID0NB:	ID0NB= 5.59084 + 34.9874*ID0NPT - 0.144184*TIME
ID0ND:	ID0ND= 0.219924 + 5.42120*ID0NPT + 0.0106125*TIME
ID0NEW:	ID0NEW= ID0NEWMF + ID0NEWNM
ID0NEWCC:	ID0NEWCC= -12.9208 + 0.0288915*ID0HSPRS1@A\1 + 0.134569*ID0HSPRS1@A\2 + 0.240247*ID0HSPRS1@A\3 + 30.345925*ID0HSPRS1@A\4 + 0.451603*ID0HSPRS1@A\5 + 0.557280*ID0HSPRS1@A\6 + 0.141883*TIME
ID0NEWFIR:	ID0NEWFIR= -2.61289 + 0.155336*MOVAVG(1 TO 0,ID0HSPR) + 25.8105*ID0NPT - 4.46668*DUM861ON - 3.32094*DUM981ON
ID0NEWGOOD:	ID0NEWGOOD=ID0NEWMF+ID0NEWMG+ID0NEWCC

ID0NEWGV: ID0NEWGV= ID0NEWGVF + ID0NEWGVSL

ID0NEWGVF: ID0NEWGVF= -0.871671 + 874.280*EGF*(ID0NPT/N) + 4.72135* EGF*(GFO92C/GF92C) - 0.00435896*TIME

ID0NEWGVSL: ID0NEWGVSL= ID0NEWGVSLED + ID0NEWGVSL@ED

ID0NEWGVSLED: ID0NEWGVSLED= -16.7743 + 87.7839*(ID0NPT*((N-N16&)/N)) + 0.408575*MOVAVG(8 TO 4,ID0YPTXB) + 0.159303*TIME

ID0NEWGVSL@ED: ID0NEWGVSL@ED= -16.0679 + 23.7751*ID0NPT + 0.129477*TIME

ID0NEWMF: ID0NEWMF= ID0NEWMFD + ID0NEWMFN

ID0NEWMFD: ID0NEWMFD= ID0NEW24 + ID0NEW32&34 + ID0NEW35&36 + ID0NEWMFDNEC

ID0NEWMFDNEC: ID0NEWMFDNEC= -3.87998 + 0.0735069*ID0IPMFDNEC

ID0NEWMFN: ID0NEWMFN= ID0NEW20 + ID0NEW26&27 + ID0NEW28 + ID0NEWMFNNEC

ID0NEWMFNNEC: ID0NEWMFNNEC= 0.192089 + 0.00295149*(CNCS92C + CNOO92C) - 0.180454*DUM87ON

ID0NEWMG: ID0NEWMG= ID0NEWMG@10 + ID0NEW10

ID0NEWMG@10: ID0NEWMG@10= 3.03115 + 0.790862*MOVAVG(2 TO 0,JQIND287) + 0.0495390*ID0HSPR + 0.0103994*JQIND333@9*TIME - 0.505426*JQIND33/EMI - 1.09149*JRWSSNF/WPI10 - 0.0184944*TIME

ID0NEWNGOOD: ID0NEWNGOOD= ID0NEWNM - ID0NEWMG - ID0NEWCC

ID0NEWNM: ID0NEWNM= ID0NEWCC + ID0NEWFIR + ID0NEWGV + ID0NEWSV + ID0NEWTCU + ID0NEWWR + ID0NEWMG

ID0NEWSV: ID0NEWSV= -54.0827 + 7.01185* MOVAVG(3 TO 0,YPADJ@ID)/MOVAVG(3 TO 0,PCWC) + 0.116535*TIME

ID0NEWTCU: ID0NEWTCU= -0.578417 + 0.0181132*ID0NEW\1 + 11.2657*ID0NPT + 0.00974829*TIME

ID0NEWWR: ID0NEWWR= -11.5979 + 5.70282* MOVAVG(3 TO 0,YPADJ@ID)/MOVAVG(3 TO 0,PCWC) + 0.0849095*TIME

ID0NEW10: ID0NEW10= 3.53400 + 4.61287*JQIND333@9 - 1.14050* JQIND33/EMI - 5.98115*JRWSSNF/WPI10

ID0NEW20: ID0NEW20= ID0NEW20@203 + ID0NEW203

ID0NEW20@203: ID0NEW20@203= -8.29459 + 23.5104*JQIND20/E20 + 0.00140365* TIME

ID0NEW203: ID0NEW203= 3.51633 + 37.2570*JQIND201@7&9 - 22.6926* JQIND20/E20 - 0.0881935*TIME

ID0NEW24: ID0NEW24= 18.9418 + 7.39147*MOVAVG(1 TO 0,JQIND24) - 11.1039*JRWSSNF/WPI08 - 0.677641*DUM821ON - 0.0245540* TIME

ID0NEW26&27: ID0NEW26&27= -1.36077 + 0.0771945*MOVAVG(4 TO 1,ID0IP26&27) + 0.00263195*TIME

ID0NEW28: ID0NEW28= -0.496612 + 1.53225*MOVAVG(2 TO 1,JQIND287) + 0.900954*DUM841ON - 1.89804*DUM951ON + 0.0112164*TIME

ID0NEW32&34: ID0NEW32&34= -1.54465 + 0.0255594*MOVAVG(1 TO 0,ID0IP32&34) - 1.74176*JQIND34/E34 + 0.0572486* ((ID0NEW20\1+ID0NEW24\1+ID0NEWMG\1+ID0NEWCC\1+ ID0NEW26&27\1))

ID0NEW35: ID0NEW35= -5.37343 + 0.247570*JQIND357 - 1.39698*DUM861884 + 0.0728595*TIME

ID0NEW35&36: ID0NEW35&36= ID0NEW35 + ID0NEW36

ID0NEW36: ID0NEW36= -8.01340 + 0.728783*JQIND367 - 1.09840*DUM801884 + 0.0755707*TIME

ID0NMG: ID0NMG= 4*(ID0NPT-ID0NPT\1) - (ID0NB-ID0ND)/1000

ID0NPT: ID0NPT= -0.0806329 + 1.01315*ID0NPT\1 + 0.0704649* (ID0NEW\1/ID0NEW\5)/(EEA\1/EEA\5)

ID0WBB$: ID0WBB$= ID0WBBMF$ + ID0WBBOTH$ + ID0WBBCC$ + ID0WBBF$ + ID0WBBMIL$

ID0WBBCC$: ID0WBBCC$= (ID0WRWCC$*ID0NEWCC)/1000000

ID0WBBF$: ID0WBBF$= -0.481926 + 0.586428*WPI02

ID0WBBMF$: ID0WBBMF$= (ID0WRWMF$*ID0NEWMF)/1000000

ID0WBBMIL$: ID0WBBMIL$= 0.0283825 + 0.241784*(ID0NPT/N)*GFMLWSS@FAC

ID0WBBOTH$: ID0WBBOTH$= ID0WRWOTH$*(ID0NEW-ID0NEWCC-ID0NEWMF)/1000000

ID0WRWCC$: ID0WRWCC$= 8043.57 + 1595.11*ID0AHEMF

ID0WRWMF$: ID0WRWMF$= -13272.1 + 3672.50*ID0AHEMF

ID0WRWOTH$: ID0WRWOTH$= -6027.26 + 2301.68*ID0AHEMF

ID0YDIR$: ID0YDIR$= 0.103376 + 0.928675* ((YINTPER+DIV+YRENTADJ)* MOVAVG(4 TO 1,ID0YP$)/MOVAVG(4 TO 1,YP))

ID0YFC$: ID0YFC$= -0.137894 + 0.797492*ID0YFC$\1 + 0.144164*WPI01

ID0YINV&R$: ID0YINV&R$= -0.158554 + 0.781785*ID0YINV&R$\1 + 0.201802* WPI01

ID0YP: ID0YP= ID0YP$/PCWC

ID0YP$:	ID0YP$=ID0WBB$+ID0YSUP$+ID0YDIR$+ID0YPRNF$+ID0YPRF$ +ID0YTR$+ID0YRA$-ID0YSI$
ID0YPNF:	ID0YPNF= ID0YPNF$/PCWC
ID0YPNF$:	ID0YPNF$= ID0YP$-ID0YPRF$-ID0WBBF$
ID0YPNFPC:	ID0YPNFPC= ID0YPNF$/PCWC/ID0NPT
ID0YPRF$:	ID0YPRF$= 0.306169 + 328.498* (((ID0CRCROP+ID0CRLVSTK+ID0YTRF$+ID0YINV&R$-ID0YFC$-ID0EXFP)/1000))
ID0YPRNF$:	ID0YPRNF$= -0.233886 + 0.00554433*YENTNFADJ
ID0YPTXB:	ID0YPTXB= (ID0WBB$+ID0YPRNF$+ID0YDIR$+(ID0YPRF$-ID0YINV&R$/1000))/PCWC
ID0YRA$:	ID0YRA$= -0.0392254 + 0.0210900*ID0WBB$
ID0YSI$:	ID0YSI$= -0.0222785 + 1.14126*TWPER*ID0WBB$/WSD
ID0YSUP$:	ID0YSUP$= -0.0405168 + 1.02826*YOL*(ID0WBB$/WSD)
ID0YTR$:	ID0YTR$= 0.117974 + 0.786002*((VGF@PER+VGSL@PER)*(ID0NPT/N))
ID0YTRF$:	ID0YTRF$= 0.00974201 + 0.0129945*TRF$
YPADJ@ID:	YPADJ@ID=ID0YPNF$+MOVAVG(3 TO 0,ID0YPRF$) + MOVAVG(3 TO 0,ID0WBBF$)

ENDOGENOUS VARIABLES

ID0AHEMF	Average hourly earnings in manufacturing
ID0AVGW$	Average annual wage
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0GIA$	Federal grants-in-aid to Idaho governments
ID0HSPR	Housing starts, total
ID0HSPRS1@A	Adjusted housing starts, single units
ID0HSPRS2A@A	Adjusted housing starts, multiple units
ID0IP26&27	Industrial production index, paper, printing, and publishing, 1992=1.0
ID0IP32&34	Industrial production index, stone, clay, glass, and concrete products and fabricated metals, 1992=1.0
ID0IPMFDNEC	Industrial production index, other durable manufacturing, 1992=1.0
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NEW	Employment on nonagricultural payrolls, total
ID0NEW10	Employment in metal mining
ID0NEW20	Employment in food processing
ID0NEW20@203	Employment in food processing, except canned, cured, and frozen
ID0NEW203	Employment in food processing, canned, cured, and frozen
ID0NEW24	Employment in lumber and wood products
ID0NEW26&27	Employment in paper, printing, and publishing
ID0NEW28	Employment in chemicals and allied products
ID0NEW32&34	Employment in stone, clay, glass, and concrete products and fabricated metals
ID0NEW35	Employment in nonelectrical machinery
ID0NEW36	Employment in electrical machinery
ID0NEWCC	Employment in construction
ID0NEWFIR	Employment in finance, insurance, and real estate
ID0NEWGOOD	Employment in goods-producing sectors
ID0NEWGV	Employment in government
ID0NEWGVF	Employment in federal government
ID0NEWGVSL	Employment in state and local government
ID0NEWGVSL@ED	Employment in state and local government, except education
ID0NEWGVSLED	Employment in state and local government, education
ID0NEWMF	Employment in manufacturing
ID0NEWMFD	Employment in durable manufacturing
ID0NEWMFDNEC	Employment in other durable manufacturing
ID0NEWMFN	Employment in nondurable manufacturing
ID0NEWMFNNEC	Employment in other nondurable manufacturing
ID0NEWMG	Employment in mining
ID0NEWMG@10	Employment in mining, except metal mining
ID0NEWNGOOD	Employment in service-producing sectors
ID0NEWNM	Employment in nonmanufacturing

ID0NEWSV	Employment in services
ID0NEWTCU	Employment in communications, transportation, and public utilities
ID0NEWWR	Employment in trade
ID0NMG	Net in-migration of persons
ID0NPT	Resident population
ID0WBB$	Wage and salary disbursements
ID0WBBCC$	Wage and salary disbursements, construction
ID0WBBF$	Wage and salary disbursements, farm
ID0WBBMF$	Wage and salary disbursements, manufacturing
ID0WBBMIL$	Wage and salary disbursements, military
ID0WBBOTH$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC$	Average annual wage, construction
ID0WRWMF$	Average annual wage, manufacturing
ID0WRWOTH$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR$	Dividend, interest, and rent income
ID0YFC$	Corporate farm income
ID0YINV&R$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 1992 dollars
ID0YP$	Total personal income
ID0YPNF	Nonfarm personal income, 1992 dollars
ID0YPNF$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 1992 dollars
ID0YPRF$	Net farm proprietors' income
ID0YPRNF$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 1992 dollars
ID0YRA$	Residence adjustment, personal income
ID0YSI$	Contributions for social insurance
ID0YSUP$	Other labor income
ID0YTR$	Transfer payments to persons
ID0YTRF$	Government payments to Idaho farmers
YPADJ@ID	Adjusted total personal income

EXOGENOUS VARIABLES

CNCS92C	Personal consumption expenditures, clothing and shoes, 1992 dollars, chain weighted
CNFOOD92C	Personal consumption expenditures, food, 1992 dollars, chain weighted
CNOO92C	Personal consumption expenditures, other nondurable goods, 1992 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
DIV	Dividends
DUM801884 DUM821ON DUM841ON DUM861ON DUM861884 DUM871ON DUM951ON DUM981ON TIME	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as SIC code changes, strikes, plant opening, or closures, unusual weather conditions, etc.
E20	Employment in food processing
E24	Employment in lumber and wood products
E26	Employment in paper and paper products
E27	Employment in printing and publishing
E28	Employment in chemicals
E32	Employment in stone, clay, and glass
E34	Employment in fabricated metals
E35	Employment in nonelectrical machinery
E36	Employment in electrical machinery
EEA	Total nonagricultural employment
EGF	Employment in federal government
EMD	Employment in durable manufacturing
EMI	Employment in mining
EMN	Employment in nondurable manufacturing
GFMLWSS@FAC	Federal government consumption of general government employment
GF92C	Federal government purchases, 1992 dollars, chain weighted
GFO92C	Federal government purchases, nondefense, 1992 dollars, chain weighted
JQIND20	Industrial production index, food products, 1992=1.0
JQIND201@7&9	Industrial production index, food except beverages, 1992=1.0
JQIND24	Industrial production index, wood and lumber products, 1992=1.0
JQIND25	Industrial production index, furniture and fixtures, 1992=1.0
JQIND26	Industrial production index, paper and paper products, 1992=1.0
JQIND27	Industrial production index, printing and publishing, 1992=1.0
JQIND287	Industrial production index, agricultural chemicals, 1992=1.0
JQIND32	Industrial production index, stone, clay, and glass products, 1992=1.0
JQIND33	Industrial production index, primary metals, 1992=1.0

JQIND333@9	Industrial production index, nonferrous metals, 1992=1.0
JQIND34	Industrial production index, fabricated metal products, 1992=1.0
JQIND357	Industrial production index, office and computing equipment, 1992=1.0
JQIND367	Industrial production index, electric components, 1992=1.0
JQIND37	Industrial production index, transportation equipment, 1992=1.0
JQIND39	Industrial production index, miscellaneous manufactures, 1992=1.0
JRWSSNF	Index of compensation per hour, nonfarm business sector, 1982=1.0
N	Population, U.S.
N16&	Population, U.S., aged 16 and older
PCWC	Implicit price deflator, personal consumption, 1992=1.0, chain weighted
RMMTGNNS	Effective conventional mortgage rate, new homes, combined lenders
TRF$	Government payments to U.S. farms
TWPER	Personal contributions for social insurance, U.S.
VAIDGF@SL	Federal grants-in-aid to state and local governments
VGF@PER	Federal transfer payments to persons, U.S.
VGSL@PER	State and local transfer payments to persons, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal productss, 1982=1.0
WSD	Wage and salary disbursements
YENTNFADJ	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YINTPER	Personal interest income
YOL	Other labor income, U.S.
YP	Personal income
YRENTADJ	Rental income of persons with capital consumption adjustment

This page left blank intentionally.

Division of Financial Management
700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032

BULK RATE
U.S. Postage
P A I D
Boise, Idaho
Permit No. 1

ADDRESS CORRECTION REQUESTED